

Rok 014 Limited

**Directors' report and financial
statements**

Registered number 04737697

31 December 2006

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Principal activity

The principal activity of the company is that of property development. The directors intend that the present activity should be continued.

All shares in the company are owned by Rok Development Limited

Results and dividends

The results for the period are shown in the profit and loss account on page 4

Dividends of £330,000 have been paid in the year (2005 *£nil*)

Directors and directors' interests

The directors who held office during the period were as follows

GD Snook
NI Hole (resigned 31 January 2007)
RA Christie (appointed 1 February 2007)

The directors that held office at the period end had no disclosable interest in the shares of the company

Details of the shares and share options held by GD Snook in the ultimate parent company, Rok plc are disclosed in the consolidated financial statements of that company

The directors' interests in the shares of Rok plc and potential share awards held under the LTIP were as follows

	Ordinary shares		LTIP Options		
	31 December 2006	31 December 2005	Granted in 2006	Exercised in 2006	31 December 2006
NI Hole	6,289	8,289	6,886	-	20,048

During the year NI Hole disposed of 2,000 (2005 41,089) shares in Rok plc

All directors benefited from qualifying third party indemnity provisions in place during the financial year

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting

On behalf of the board


RA Christie
Director

Rok Centre
Guardian Road
Exeter Business Park
Exeter
EX1 3PD

6th July 2007

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

8 Salisbury Square

London

EC4Y 8BB

United Kingdom

Independent auditors' report to the members of Rok 014 Limited

We have audited the financial statements of Rok 014 Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of Directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


KPMG Audit Plc
Chartered Accountants
Registered Auditor

10 July 2007

Profit and loss account
for the year ended 31 December 2006

	<i>Note</i>	2006 £000	2005 £000
Turnover	<i>1</i>	6,245	350
Cost of sales		(5,788)	(350)
		<hr/>	<hr/>
Operating profit		457	-
Rental income		-	137
Interest payable and similar charges	<i>4</i>	(57)	(75)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>2</i>	400	62
Tax on profit on ordinary activities	<i>5</i>	(120)	(23)
		<hr/>	<hr/>
Profit for the financial year		280	39
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains or losses other than those included above

There were no acquisitions or discontinued operations within the company during the period ended 31 December 2006 or the year ended 31 December 2005

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2006

	2006 £000	2005 £000
Profit for the financial year	280	39
Dividends on ordinary shares	(330)	-
	<hr/>	<hr/>
Net (reductions)/additions to shareholders' funds	(50)	39
Opening shareholders' funds	50	11
	<hr/>	<hr/>
Closing shareholders' funds	-	50
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet

as at 31 December 2006

	Note	2006 £000	2005 £000
Current assets			
Stock	6	-	3,093
Debtors	7	400	-
		<hr/>	<hr/>
		400	3,093
Creditors amounts falling due within one year	8	(400)	(3,043)
		<hr/>	<hr/>
Net assets		-	50
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		-	50
		<hr/>	<hr/>
Equity shareholders' funds		-	50
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 6th July 2007 and were signed on its behalf by



RA Christie
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As 100% of the company's voting rights are controlled within the group headed by Rok plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Rok plc, within which this company is included, can be obtained from the address given in note 10

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Work in progress

Development work in progress is stated at the lower or cost and net realisable value

Turnover

Turnover is recognised on commercial property development activities during the various stages of a development

Profit is recognised on legal completion. Where a development is pre-sold the fair value of the profit, after allowance for rental guarantees provided on any un-let space, is recognised on legal completion of the land disposal. The remaining profit is recognised as the construction phase is performed and completed

2 Profit on ordinary activities before taxation

Auditors' remuneration is embodied in a charge payable to the parent company

3 Remuneration of directors

The directors throughout the year were in the main employment of other group companies and received no emoluments from the company (2005 £nil)

4 Interest payable and similar charges

	2006 £000	2005 £000
Bank interest	57	75

Notes (continued)

5 Taxation

	2006 £000	2005 £000
<i>UK corporation tax</i>		
Current tax charge on income for the period	120	23

Factors affecting the tax charge for the current period

The current tax charge for the periods represents the standard rate of corporation tax in the UK of 30% (2005 30%)
There is no provided or unprovided deferred taxation (2005 £nil)

6 Stock

	2006 £000	2005 £000
Work in progress – development property	-	3,093

7 Debtors

	2006 £000	2005 £000
Amounts owed by group companies	400	-

8 Creditors: amounts falling due within one year

	2006 £000	2005 £000
Bank overdraft (secured)	-	1,405
Amounts owed to group companies	280	1,600
Corporation tax	120	18
Accruals and deferred income	-	20
	400	3,043

The bank overdraft is secured on the asset to which it relates

9 Called up share capital

	2006 £000	2005 £000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
<i>Allotted and called up</i>		
1 ordinary share of £1	-	-

Notes *(continued)*

10 Ultimate parent company

The company is a subsidiary undertaking of Rok Development Limited incorporated in Great Britain and registered in England and Wales

The results of the company are consolidated is that headed by Rok plc incorporated in Great Britain and registered in England and Wales

The consolidated financial statements of Rok plc are available to the public and may be obtained from Rok Centre, Guardian Road, Exeter Business Park, Exeter, EX1 3PD