

AMENDING

Chilton New Homes Limited

1

Financial statements for the period from 1 August 2004 to 31 December 2005

Directors statement

Under section 245 of the Companies Act 1985 the directors have the authority to revise financial statements by issue of a supplementary note if they do not comply with the Companies Act 1985. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 1990 and in accordance therewith do not take account of events which have taken place after the date on which the original financial statements were approved. The regulations require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements. Details of the amendments made to the original financial statements are included in the supplementary note 15, attached.

The revised financial statements were approved by the director on 23 November 2006 and are signed on their behalf by:

Capricorn Homes Limited
Director



WEDNESDAY



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03/01/2007

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COMPANIES HOUSE

COMPANIES HOUSE

28/11/2006

Report of the independent auditor to the members of Chilton New Homes Limited

We have audited the revised financial statements of Chilton New Homes Limited for the period ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and Notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein. The revised financial statements replace the original financial statements approved by the director on 14 June 2006 and consist of the attached supplementary note together with the original financial statements which were circulated to members on 14 June 2006.

The revised financial statements do not take account of events which have taken place after the date on which the original financial statements were approved.

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 auditors' report and for no other purpose. 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 director's responsibilities for preparing the Report of the director and the revised financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the revised 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 revised financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the director is not consistent with the financial statements, if 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 Report of the director and consider the implications for our report if we become aware of any apparent misstatements within it.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors.

Basis of 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 revised financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the revised financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Grant Thornton 

Report of the independent auditor to the members of Chilton New Homes Limited

The audit of revised financial statements includes the performance of additional procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

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 revised 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 revised financial statements.

Opinion

In our opinion:

- the revised financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2005 and of its loss for the period then ended;
- the revised financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985; and
- the original financial statements for the period ended 31 December 2005 failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors in the statement contained in the supplementary note.



GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

SHEFFIELD
23 November 2006

Supplementary note

15 Ultimate parent undertaking

Under section 245 of the Companies Act 1985 the directors have the authority to revise financial statements by issue of a supplementary note if they do not comply with the Companies Act 1985. The revised financial statements, dated 23 November 2006, must be amended in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 1990 and in accordance therewith do not take account of events which have taken place after the date on which the original financial statements, for the period ended 31 December 2005, were approved. The regulations require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements. Details of the amendments made to the original financial statements are included below.

The immediate parent undertaking of Chilton New Homes Limited is Capricorn Homes Limited who own 100% of the share capital. The ultimate controlling party was previously incorrectly stated as the principal trustee of The Lincoln Trust. The Lincoln Trust is actually a discretionary trust and is controlled by its trustees, AIBWorthytrust Limited.

Chilton New Homes Limited

Financial statements

For the period from 1 August 2004 to
31 December 2005

Grant Thornton 

WEDNESDAY

A31

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03/01/2007
COMPANIES HOUSE

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Company No. 04847317

Officers and professional advisers

| | |
|------------------------------------|--|
| Company registration number | 04847317 |
| Registered office | 63 Curzon Street LONDON W1 8PD |
| Director | Capricorn Homes Limited |
| Secretary | Roger Lidster |
| Bankers | Barclays Bank Plc Level 27 1 Churchill Place Canary Wharf LONDON E14 5HP |
| Solicitors | Herbert Smith Exchange House Primrose Street LONDON EC2A 2HS |
| Auditors | Grant Thornton UK LLP Chartered Accountants Registered Auditors 2 Broadfield Court SHEFFIELD S8 0XF |

Contents

| | |
|---|----------------|
| Report of the director | 3 - 4 |
| Report of the independent auditors | 5 - 6 |
| Accounting policies | 7 - 8 |
| Profit and loss account | 9 |
| Balance sheet | 10 |
| Notes to the financial statements | 11 - 14 |

Report of the director

The director presents his report and the financial statements of the company for the period from 1 August 2004 to 31 December 2005.

Principal activities and business review

The principal activity of the company during the year was that of property trading and development.

Results and dividends

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The director has not recommended a dividend.

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing this risk and this is summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The company finances its operations through a mixture of intercompany accounts, bank borrowings and other external investors. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed facilities.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts or through loans. The company policy throughout the year has been to ensure continuity of funding so that borrowings should mature in conjunction with completion of sales on sites. Short term flexibility is achieved by overdraft facilities.

The corporate director and its interests in the shares of the company

The director who served the company during the period together with its beneficial interests in the shares of the company was as follows:

| | Ordinary shares of £1 | |
|-------------------------|-----------------------|--|
| | At | At |
| | 31 December 2005 | 1 August 2004 or later date of appointment |
| Capricorn Homes Limited | 100 | - |

No directors had any beneficial interests in the shares of the parent undertaking, Capricorn Homes Limited.

The corporate director and its interests in the shares of the company (continued)

| | |
|-------------------------|--|
| Capricorn Homes Limited | was appointed as a director on 15 February 2005. |
| Mr R Manchanda | was appointed as a director on 21 January 2005. |
| Mr P Westhorpe | was appointed as a director on 21 January 2005. |
| Mr R Manchanda | resigned as a director on 27 May 2005. |
| Mr P Westhorpe | resigned as a director on 13 April 2005. |
| Mr K R Connor | resigned as a director on 21 January 2005. |
| Mr A M Connor | resigned as a director on 21 January 2005. |

Directors' responsibilities

United Kingdom company law requires the director to prepare financial statements for each financial year which 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton was appointed as auditors during the year.

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Roger Lidster
Secretary
14 June 2006

Grant Thornton 

Report of the independent auditor to the members of Chilton New Homes Limited

We have audited the financial statements of Chilton New Homes Limited for the year ended 31 December 2005 which comprise the accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 15. 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 auditors' report and for no other purpose. 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, if 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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.

Report of the independent auditors to the members of Chilton New Homes Limited (continued)

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.

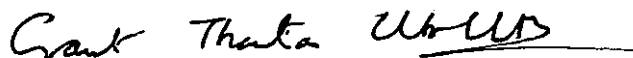
Opinion

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss 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 Report of the Directors is consistent with the financial statements for the for the year ended 31 December 2005.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SHEFFIELD
14 June 2006

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year, and are set out below.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation'.

FRS 25 'Financial Instruments: Disclosure and Presentation'

The above accounting standard has become mandatory for companies for accounting periods beginning on or after 1 January 2005.

The presentation elements of FRS 25 establishes how a company's share capital and debt should be presented in the accounts: whether as "equity" (ie in the bottom half of the balance sheet) or as a liability (within creditors) or as a mixture of the two (known as a "compound instrument").

The adoption of FRS 25 has had no material effect on the the company, hence comparative figures have not been restated

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year, net of Value Added Tax. Turnover in respect of apartments, houses and land is recognised on legal completion.

Fixed assets

All fixed assets are initially recorded at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads on normal level activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress. Work in progress includes interest on site specific funding.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred by the balance sheet date.

Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Going concern

The directors consider the company to be a going concern for the foreseeable future, based on anticipated future sales and the group support provided by Capricorn Homes Limited.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

| | Note | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|--|------|--|---|
| Turnover | | — | — |
| Other operating charges | 1 | (205,304) | — |
| Other operating income | | 239 | — |
| Operating loss | 2 | (205,065) | — |
| Interest payable and similar charges | 4 | (151,363) | — |
| Loss on ordinary activities before taxation | | (356,428) | — |
| Tax on loss on ordinary activities | 5 | 107,000 | — |
| Loss for the financial period | 11 | (249,428) | — |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

Balance sheet

| | Note | 31 Dec 05 £ | 31 Jul 04 £ |
|---|------|--------------------|----------------|
| Current assets | | | |
| Stocks | 6 | 3,576,969 | – |
| Debtors | 7 | 6,440 | 100 |
| | | <u>3,583,409</u> | <u>100</u> |
| Creditors: amounts falling due within one year | 8 | <u>(3,832,737)</u> | <u>–</u> |
| Net current (liabilities)/assets | | <u>(249,328)</u> | <u>100</u> |
| Total assets less current liabilities | | <u>(249,328)</u> | <u>100</u> |
| Capital and reserves | | | |
| Called-up equity share capital | 10 | 100 | 100 |
| Profit and loss account | 11 | <u>(249,428)</u> | <u>–</u> |
| (Deficit)/shareholders' funds | 12 | <u>(249,328)</u> | <u>100</u> |

These financial statements were approved and signed by the director on 14 June 2006.



Capricorn Homes Limited
Director

Notes to the financial statements

1 Other operating charges

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|-------------------------|--|---|
| Administrative expenses | <u>205,304</u> | <u>-</u> |

2 Operating loss

Operating loss is stated after charging:

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|-------------------------|--|---|
| Director's emoluments | - | - |
| Auditors' remuneration: | | |
| Audit fees | <u>5,645</u> | <u>-</u> |

3 Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

| | Period from 1 Aug 04 to 31 Dec 05 No | Period from 29 Jul 03 to 31 Jul 04 No |
|--------------------------------|---|--|
| Number of administrative staff | <u>2</u> | <u>-</u> |

The aggregate payroll costs of the above were:

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|-----------------------|--|---|
| Wages and salaries | 122,031 | - |
| Social security costs | <u>10,104</u> | <u>-</u> |
| | <u>132,135</u> | <u>-</u> |

4 Interest payable and similar charges

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|------------------------------------|--|---|
| Interest payable on bank borrowing | 125 | - |
| Other similar charges payable | 151,238 | - |
| | <u>151,363</u> | <u>-</u> |

In addition to the above, bank interest and charges amounting to £135,013 has been capitalised in work in progress in the year.

5 Taxation on ordinary activities

(a) Analysis of charge in the period

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|--|--|---|
| Current tax: | | |
| UK Corporation tax based on the results for the period at 30% (2004 - 30%) | (107,000) | - |
| Total current tax | <u>(107,000)</u> | <u>-</u> |

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|--|--|---|
| Loss on ordinary activities before taxation | (356,428) | - |
| Loss on ordinary activities multiplied by standard rate of tax | (106,928) | - |
| Expenses not deductible for tax purposes | 181 | - |
| Other | (253) | - |
| Total current tax (note 5(a)) | <u>(107,000)</u> | <u>-</u> |

6 Stocks

| | 31 Dec 05 £ | 31 Jul 04 £ |
|------------------|------------------|----------------|
| Work in progress | <u>3,576,969</u> | <u>-</u> |

7 Debtors

| | 31 Dec 05 | 31 Jul 04 |
|----------------------------------|--------------|------------|
| | £ | £ |
| Other debtors | 6,350 | 10 |
| Called up share capital not paid | 90 | 90 |
| | <u>6,440</u> | <u>100</u> |

8 Creditors: amounts falling due within one year

| | 31 Dec 05 | 31 Jul 04 |
|------------------------------------|------------------|-----------|
| | £ | £ |
| Bank loans and overdrafts | 2,687,767 | — |
| Trade creditors | 28,626 | — |
| Amounts owed to group undertakings | 348,333 | — |
| Discounted bonds | 678,230 | — |
| Other creditors | 84,781 | — |
| Accruals and deferred income | 5,000 | — |
| | <u>3,832,737</u> | <u>—</u> |

The loans are secured by a fixed and floating charge over the assets of the company. Capricorn Homes Limited, the parent company, has also provided an unlimited guarantee in respect of the bank loan.

The discounted bonds are repayable at a total of £716,666 on 19 June 2006.

9 Related party transactions

During the period the company made purchases from other group companies of £nil (2004: £nil) and made sales to other group companies of £nil (2004: £nil).

At the year end the balance owed to other group companies was £455,333 (2004: £nil) of which the total amount was due to Capricorn Homes Limited for loans advanced in the year, interest on the loans and salaries recharged. The total interest on the loan amounted to £56,716. The amount owed by other group companies was £nil (2004: £nil).

10 Share capital

Authorised share capital:

| | 31 Dec 05 | 31 Jul 04 |
|--------------------------------|------------|------------|
| | £ | £ |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Allotted and called up:

| | 31 Dec 05 | | 31 Jul 04 | |
|----------------------------|-----------|-----|-----------|-----|
| | No | £ | No | £ |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

| | 31 Dec 05 | 31 Jul 04 |
|-----------------|-----------|-----------|
| | £ | £ |
| Ordinary shares | <u>90</u> | <u>90</u> |

11 Reserves

| | Profit and loss account £ |
|---------------------|---------------------------------|
| Loss for the period | <u>(249,428)</u> |
| At 31 December 2005 | <u>(249,428)</u> |

12 Reconciliation of movements in shareholders' funds

| | 31 Dec 05 | 31 Jul 04 |
|--|------------------|------------|
| | £ | £ |
| Loss for the financial period | (249,428) | — |
| New equity share capital subscribed | <u>—</u> | <u>100</u> |
| Net (reduction)/addition to shareholders' equity funds | (249,428) | 100 |
| Opening shareholders' equity funds | <u>100</u> | <u>—</u> |
| Closing shareholders' equity (deficit)/funds | <u>(249,328)</u> | <u>100</u> |

13 Contingent liabilities

There were no contingent liabilities for the period ended 31 December 2005 (2004: £nil)

14 Capital commitments

There were no capital commitments for the year ended 31 December 2005 (2004: £nil)

15 Ultimate parent undertaking

The immediate parent undertaking of Chilton New Homes Limited is Capricorn Homes Limited who own 100% of the share capital. The controlling party is Kamal Bhatia as principal trustee of The Lincoln Trust.

Management information

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 5 to 6.**

Profit and loss account

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|------------------------------------|--|---|
| Cost of sales | | |
| Purchases | (3,576,969) | — |
| Closing stock and work-in-progress | 3,576,969 | — |
| | — | — |
| Gross profit | — | — |
| Overheads | | |
| Administrative expenses | (205,304) | — |
| | (205,304) | — |
| Other operating income | | |
| Other operating income | 239 | — |
| Operating loss | (205,065) | — |
| Interest payable | (151,363) | — |
| Loss on ordinary activities | (356,428) | — |

Notes to the detailed profit and loss account

| | Period from 1 Aug 04 to 31 Dec 05 £ | Period from 29 Jul 03 to 31 Jul 04 £ |
|--|--|---|
| Administrative expenses | | |
| Personnel costs | | |
| Wages and salaries | 122,031 | — |
| Staff national insurance contributions | 10,104 | — |
| | <u>132,135</u> | <u>—</u> |
| General expenses | | |
| Travel and subsistence | 4,006 | — |
| Telephone | 142 | — |
| Printing, stationery and postage | 151 | — |
| Staff training | 670 | — |
| Sundry expenses | 24 | — |
| General expenses | 1,227 | — |
| Entertaining | 604 | — |
| Legal and professional fees | 60,007 | — |
| Auditors remuneration | 5,645 | — |
| | <u>72,476</u> | <u>—</u> |
| Financial costs | | |
| Financial costs | 335 | — |
| Bank charges | 358 | — |
| | <u>693</u> | <u>—</u> |
| | <u>205,304</u> | <u>—</u> |
| Interest payable | | |
| Bank interest payable | 125 | — |
| Interest on other loans | 151,238 | — |
| | <u>151,363</u> | <u>—</u> |