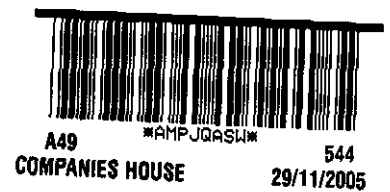


COMPANY REGISTRATION NUMBER 4933926

IWOOD MANAGEMENT LIMITED

ABBREVIATED ACCOUNTS

31 MAY 2005



IWOOD MANAGEMENT LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2005

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IWOOD MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31 May 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

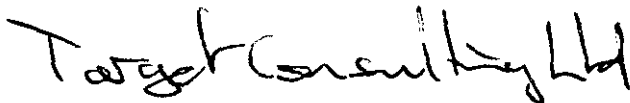
The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



Target Consulting Limited
Chartered Accountants & Registered Auditors
Lawrence House
Lower Bristol Road
Bath

4/11/05

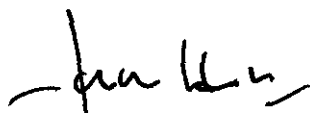
IWOOD MANAGEMENT LIMITED
ABBREVIATED BALANCE SHEET

31 MAY 2005

		2005		2004 (restated)	
	Note	£	£	£	£
FIXED ASSETS	3				
Tangible assets			127,400		130,000
Investments			808,606		808,606
			<u>936,006</u>		<u>938,606</u>
CURRENT ASSETS					
Debtors		208,337		273,912	
Cash at bank and in hand		1,312		44,901	
		<u>209,649</u>		<u>318,813</u>	
CREDITORS: Amounts falling due within one year		<u>290,048</u>		<u>424,808</u>	
NET CURRENT LIABILITIES			<u>(80,399)</u>		<u>(105,995)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>855,607</u>		<u>832,611</u>
CREDITORS: Amounts falling due after more than one year			<u>197,292</u>		<u>318,959</u>
			<u>658,315</u>		<u>513,652</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		20,000		20,000
Other reserves			460,000		460,000
Profit and loss account			178,315		33,652
SHAREHOLDERS' FUNDS			<u>658,315</u>		<u>513,652</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director on 1st November 2005.


G J Hill
 Director

The notes on page 2 form part of these abbreviated accounts.

IWOOD MANAGEMENT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

In the opinion of the director, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. Accordingly these accounts present information about the company as an entity only and not about the group it heads.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land & Buildings - 2%

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

IWOOD MANAGEMENT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2005

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. INTANGIBLE FIXED ASSETS

	Goodwill
	£
NET BOOK VALUE	
At 1 June 2004 as originally stated	715,171
Prior year adjustment	(715,171)
	<hr/>
At 1 June 2004, restated and as at 31 May 2005	<hr/> - <hr/>

Prior year adjustment

A transfer of £715,171 was made from the carrying value of investments to goodwill during 2004. This transfer should not have been made and has been reversed by way of a prior year adjustment. The comparative figures in the accounts have been restated accordingly. This does not have any impact on the profits for the year ended 31 May 2004 or 2005 or have any impact on the assets for the year then ended.

IWOOD MANAGEMENT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2005

3. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST			
At 1 June 2004 and 31 May 2005	<u>130,000</u>	<u>935,077</u>	<u>1,065,077</u>
DEPRECIATION AND AMOUNTS WRITTEN OFF			
At 1 June 2004	-	126,471	126,471
Charge for year	<u>2,600</u>	<u>-</u>	<u>2,600</u>
At 31 May 2005	<u>2,600</u>	<u>126,471</u>	<u>129,071</u>
NET BOOK VALUE			
At 31 May 2005	<u>127,400</u>	<u>808,606</u>	<u>936,006</u>
At 31 May 2004	<u>130,000</u>	<u>808,606</u>	<u>938,606</u>

On 31 December 2003, the company purchased 100% of the share capital of Churchgate Management Limited. On 31 May 2004, the trade, assets and liabilities of Churchgate Management Limited were hived up into Iwood Limited.

Therefore at 31 May 2004, the company owns 100% of the issued share capital of Churchgate Management Limited and Westchurch Limited and 50% of the issued share capital of Westchurch Associates Limited.

Aggregate capital and reserves	2005 £	2004 £
Churchgate Management Limited	1,000	1,000
Westchurch Limited	95,101	86,507
Westchurch Associates Limited	5,298	20,193

Profit and (loss) for the year

Churchgate Management Limited	-	118,377
Westchurch Limited	122,348	72,010
Westchurch Associates Limited	(18,290)	39,975

Principal activity

Churchgate Management Limited	Dormant
Westchurch Limited	Estate Agents
Westchurch Associates Limited	Chartered Surveyors

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

IWOOD MANAGEMENT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2005

4. RELATED PARTY TRANSACTIONS

The company is controlled by GJ Hill by virtue of his shareholding.

At the year end the company was owed £1,385 by GJ Hill. Last year the company owed him a balance of £10,253. There is no interest on this loan.

The company has the following related parties:

Westchurch Limited - 100% subsidiary

At 31 May 2005 the company was owed £107,083 (2004: £31,028) by Westchurch Limited. There is no interest being charged.

Management fees of £294,345 (2004: £357,285) and rental income of £8,000 (2004: £2,000) were received in the year from Westchurch Limited.

Churchgate Limited - 100% subsidiary

At 31 May 2005 the company owed £1,081 (2004: £999) to Churchgate Limited. There is no interest being charged.

Westchurch Associates Limited - 50% participating interest Management fees of £2,500 (2004: £2,500) were received in the year from Westchurch Associates Limited.

CJH Land Limited - a company over which GJ Hill has significant influence as a shareholder and director.

At 31 May 2005 the company was owed £2,905 (2004: £2,905) by CJH Land Limited. There is no interest being charged.

Management fees of £16,920 (2004: £24,890) were received in the year from CJH Land Limited.

Churchgate Executive Pension Scheme

GJ Hill is a trustee of the pension scheme.

On 22 December 2003, a loan of £270,000 was made by Churchgate Executive Pension Scheme to Iwood Management Limited. The balance outstanding on this loan at 31 May 2005 was £185,625, (2004 £253,125) and interest is accruing on the loan at 3% above base rate. Interest charged in the year was £4,885 (2004: £8,002). The loan is due to be repaid in full by 21 December 2007.

5. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 (restated) £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

On 15 October 2003, 1 £1 ordinary share was issued at par. On 31 December 2003, an additional 19,999 £1 ordinary shares were also issued at par.