

C R O COPY

PBM ESTATES LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

MAURICE ANDREWS
Chartered Accountants
Grove House
25 Upper Mulgrave Road
Cheam
Surrey, SM2 7BE



PBM ESTATES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2006

CONTENTS	PAGES
The directors' report	1 to 2
Independent auditor's report to the shareholders	3 to 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 9

PBM ESTATES LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31ST MARCH 2006

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31st March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the letting of residential property.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31.3.2006	At 1.4.2005
R.J. Burgess	100	100
G.T. Marsden	100	100
P.A. Miller	<u>100</u>	<u>100</u>

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditor is unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Maurice Andrews as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

PBM ESTATES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors


R.J. BURGESS
Company Secretary

Approved by the directors on 8th August 2006

PBM ESTATES LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**
PBM ESTATES LIMITED**YEAR ENDED 31ST MARCH 2006**

We have audited the financial statements of PBM Estates Limited for the year ended 31st March 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Directors' Report 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 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.

PBM ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PBM ESTATES LIMITED (continued)
YEAR ENDED 31ST MARCH 2006

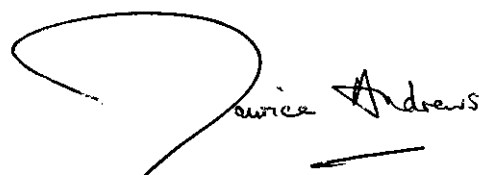
OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31st March 2006 and of its profit for the year then ended and 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.

Grove House,
25 Upper Mulgrave Road,
Cheam,
Surrey, SM2 7BE.

8th August 2006

A large, stylized handwritten signature in black ink, appearing to read 'Maurice Andrews'.

MAURICE ANDREWS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

PBM ESTATES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2006

	Note	Year to 31.3.2006 £	Period from 15.12.2003 to 31.3.2005 £
TURNOVER		37,021	34,884
Operating expenses		<u>7,135</u>	<u>6,439</u>
OPERATING PROFIT	2	29,886	28,445
Interest receivable		355	327
Interest payable and similar charges		<u>(25,688)</u>	<u>(30,000)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,553	(1,228)
Tax on profit/(loss) on ordinary activities		—	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	10	<u>4,553</u>	<u>(1,228)</u>

PBM ESTATES LIMITED**BALANCE SHEET****31ST MARCH 2006**

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	3	663,391	663,391
CURRENT ASSETS			
Debtors	4	949	949
Cash at bank		11,468	7,149
		12,417	8,098
CREDITORS: Amounts falling due within one year	5	4,000	4,234
NET CURRENT ASSETS		8,417	3,864
TOTAL ASSETS LESS CURRENT LIABILITIES		671,808	667,255
CREDITORS: Amounts falling due after more than one year	6	663,483	663,483
NET ASSETS		8,325	3,772
CAPITAL AND RESERVES			
Called-up equity share capital	8	300	300
Share premium account	9	4,700	4,700
Profit and loss account	10	3,325	(1,228)
SHAREHOLDERS' FUNDS		8,325	3,772

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on the 8th August 2006 and are signed on their behalf by:



.....
R.J. BURGESS

PBM ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006****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 January 2005).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING PROFIT

Operating profit is stated after charging:

	Year to	Period from
	31.3.2006	15.12.2003 to
	£	31.3.2005
		£
Directors' emoluments	—	—
Auditor's fees	<u>1,000</u>	<u>1,234</u>

PBM ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006****3. TANGIBLE FIXED ASSETS****Freehold Investment Property****COST****£****At 1st April 2005 and 31st March 2006****663,391****NET BOOK VALUE****At 31st March 2006****663,391****At 31st March 2005****663,391**

The freehold investment property was revalued at the year end by the directors based on its open market value. The historic cost of the property was £663,391.

4. DEBTORS

	2006 £	2005 £
Other debtors and prepayments	<u>949</u>	<u>949</u>

5. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Other creditors and accruals	<u>4,000</u>	<u>4,234</u>

6. CREDITORS: Amounts falling due after more than one year

	2006 £	2005 £
Bank loans	<u>663,483</u>	<u>663,483</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2006 £	2005 £
Bank loans	<u>663,483</u>	<u>663,483</u>

PBM ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006****7. TRANSACTIONS WITH THE DIRECTORS**

The company was charged fees by Abbie Management Limited, a company in which R.J. Burgess, G.T. Marsden and P.A. Miller are also shareholders and directors. The amount of these fees was £3,702 (2005 - £15,888).

8. SHARE CAPITAL**Authorised share capital:**

	2006	2005
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

9. SHARE PREMIUM ACCOUNT

	Year to 31.3.2006		Period from 15.12.2003 to 31.3.2005
	£		£
Balance brought forward	4,700		—
Premium on shares issued in the year	—		4,700
Balance carried forward	<u>4,700</u>		<u>4,700</u>

10. PROFIT AND LOSS ACCOUNT

	Year to 31.3.2006		Period from 15.12.2003 to 31.3.2005
	£		£
Balance brought forward	(1,228)		—
Retained profit/(accumulated loss) for the financial year	4,553		(1,228)
Balance carried forward	<u>3,325</u>		<u>(1,228)</u>