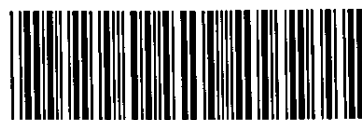


Devon Commercial Property Limited**Annual Report****Year Ended 31 March 2006****Company Registration Number 05232239**

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Devon Commercial Property Limited

Financial Statements

Year Ended 31 March 2006

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Devon Commercial Property Limited

Directors' Report

Year Ended 31 March 2006

The directors present their report and the financial statements of the company for the year ended 31 March 2006

Principal Activities

The principal activity of the company during the year was property rental

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 March 2006 | At 1 April 2005 or later date of appointment |
| Mr J W F McIlwraith | 10,000 | - |
| Mr G Birchmore | 10,000 | - |
| Mr A Morris | - | - |

Mr G Birchmore was appointed as a director on 5 April 2005

Mr A Morris was appointed as a director on 5 October 2005

Auditor

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

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



Company Secretary

Devon Commercial Property Limited

Statement of Directors' Responsibilities

Year Ended 31 March 2006

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 the financial statements comply with the Companies Act 1985. They 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.

Devon Commercial Property Limited

Independent Auditor's Report to the Shareholders of Devon Commercial Property Limited

Year Ended 31 March 2006

We have audited the financial statements of Devon Commercial Property Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 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 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.

Devon Commercial Property Limited

Independent Auditor's Report to the Shareholders of Devon Commercial Property Limited
(continued)

Year Ended 31 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 31 March 2006 and of its result 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

Emphasis of matter - Going concern

Without qualifying our opinion, we draw attention to note 1a in the financial statements, which indicates that the company is reliant on the successful trading of Devon Cider Company Limited, the new tenant of its investment property. This is a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern.

Francis Clark

Chartered Accountants
36 Southernhay East
Exeter
Devon
EX1 1NX

21 September 2007



Registered Auditors

Devon Commercial Property Limited

Profit and Loss Account

Year Ended 31 March 2006

| | Note | 2006 £ | 2005 £ |
|--|-------------|-------------------|-------------------|
| Turnover | | 241,708 | — |
| Administrative expenses | | (130,200) | — |
| Operating Profit | 2 | 111,508 | — |
| Interest receivable | | 405 | — |
| Interest payable and similar charges | | (120,450) | — |
| Loss on Ordinary Activities Before Taxation | | (8,537) | — |
| Tax on loss on ordinary activities | 3 | (900) | — |
| Loss for the Financial Year | | (9,437) | — |

Devon Commercial Property Limited

Statement of Total Recognised Gains and Losses

Year Ended 31 March 2006

| | 2006 | 2005 |
|--|-------------------------|-------------|
| | £ | £ |
| Loss for the financial year attributable to the members | (9,437) | — |
| Unrealised profit on revaluation of properties | <u>2,036,625</u> | — |
| Total gains and losses recognised since the last annual report | <u>2,027,188</u> | — |

Devon Commercial Property Limited

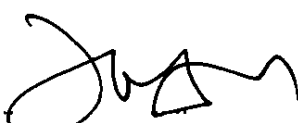
Balance Sheet

31 March 2006

| | Note | 2006 £ | 2005 £ |
|--|------|--------------------|-----------|
| Fixed Assets | | | |
| Tangible assets | 4 | <u>4,965,000</u> | <u>—</u> |
| Current Assets | | | |
| Debtors | 5 | 250,490 | 2 |
| Cash at bank | | <u>1,318</u> | <u>—</u> |
| | | 251,808 | 2 |
| Creditors: Amounts falling due within one year | 6 | <u>(317,217)</u> | <u>—</u> |
| Net Current (Liabilities)/Assets | | <u>(65,409)</u> | <u>2</u> |
| Total Assets Less Current Liabilities | | 4,899,591 | 2 |
| Creditors: Amounts falling due after more than one year | 7 | <u>(2,829,403)</u> | <u>—</u> |
| | | <u>2,070,188</u> | <u>2</u> |
| Capital and Reserves | | | |
| Called-up equity share capital | 9 | 43,000 | 2 |
| Revaluation reserve | 10 | 2,036,625 | — |
| Profit and loss account | 11 | <u>(9,437)</u> | <u>—</u> |
| Shareholders' Funds | | <u>2,070,188</u> | <u>2</u> |

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 have been approved for issue by the Board of Directors on 19 September 2007


Mr J W F McIlwraith

Devon Commercial Property Limited

Notes and Accounting Policies

Year Ended 31 March 2006

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of properties, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

During the year to 31 March 2006 the tenant of the property owned by the company ('DCPL') was The Devon Cider Company Limited ('DCCL'), an associated company. After the year end, DCPL was acquired by DCCL by means of share exchange.

On 23 July 2007, DCCL went into administration. The administrators disposed of DCPL to Hexshelf 6 Limited, and the assets and trade of DCCL to Tiverton Bottling Company Limited, which subsequently changed its name to Devon Cider Company Limited ('Newco'). Hexshelf 6 Limited and Newco are subsidiaries of Hexshelf 8 Limited.

In connection with the above, DCPL raised a mortgage of £3.35m secured on its property and repaid its existing finance arrangements. The lease to DCCL was assigned to Newco without change to the terms and conditions.

The directors anticipate that the future trading of Newco will be successful and the company will be able to pay the rent to DCPL as it falls due. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. However, Newco is a highly-gearred new venture and its future success is uncertain. In the event that Newco was unable to continue trading, the accrued debtor of £235,875, relating to the accrual of rent recognised as earned during the initial rent-free period of the lease in accordance with UITF28, would need to be written off and company would need to find a new tenant or sell its freehold.

(b) Turnover

The turnover shown in the Profit and Loss Account represents rent receivable during the period exclusive of Value Added Tax.

(c) Fixed assets

All fixed assets are initially recorded at cost.

Devon Commercial Property Limited

Notes and Accounting Policies

Year Ended 31 March 2006

1. Accounting Policies *(continued)*

(d) 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 SSAP 19 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.

(e) 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

| | 2006 £ | 2005 £ |
|-----------------------|--------------|-----------|
| Directors' emoluments | — | — |
| Auditor's fees | <u>2,500</u> | <u>—</u> |

3. Taxation on Ordinary Activities

| | 2006 £ | 2005 £ |
|---|------------|-----------|
| Current tax | | |
| UK Corporation tax based on the results for the year at 19% (2005 - —%) | <u>900</u> | <u>—</u> |
| Total current tax | <u>900</u> | <u>—</u> |

Devon Commercial Property Limited

Notes and Accounting Policies

Year Ended 31 March 2006

4. Tangible Fixed Assets

| | Freehold Property £ | Plant & Machinery £ | Total £ |
|--|---------------------------|---------------------------|------------------|
| Cost or Valuation | | | |
| Additions | 2,928,375 | 900,000 | 3,828,375 |
| Disposals | — | (900,000) | (900,000) |
| Revaluation | 2,036,625 | — | 2,036,625 |
| At 31 March 2006 | 4,965,000 | — | 4,965,000 |
| Depreciation | | | |
| At 1 April 2005 and 31 March 2006 | — | — | — |
| Net Book Value | | | |
| At 31 March 2006 | 4,965,000 | — | 4,965,000 |
| At 31 March 2005 | — | — | — |

The freehold property was revalued to open market value based on vacant possession by Lambert Smith Hampton, Chartered Surveyors, in July 2006. In the opinion of the directors this is a reasonable approximation of the value as at 31 March 2006.

5. Debtors

| | 2006 £ | 2005 £ |
|----------------------------------|----------------|-----------|
| VAT recoverable | 1,303 | — |
| Other debtors | 700 | — |
| Called up share capital not paid | 6,800 | 2 |
| Prepayments and accrued income | 241,687 | — |
| | 250,490 | 2 |

6. Creditors: Amounts falling due within one year

| | 2006 £ | 2005 £ |
|---------------------------|----------------|-----------|
| Bank loans and overdrafts | 102,597 | — |
| Trade creditors | 50,360 | — |
| Corporation tax | 900 | — |
| Other creditors | 163,360 | — |
| | 317,217 | — |

Bank loans and overdrafts are secured by way of a fixed and floating charge over the assets of the company.

Devon Commercial Property Limited

Notes and Accounting Policies

Year Ended 31 March 2006

7. Creditors: Amounts falling due after more than one year

| | 2006 £ | 2005 £ |
|---------------------------|------------------|-----------|
| Bank loans and overdrafts | 2,821,403 | — |
| Other creditors | 8,000 | — |
| | <u>2,829,403</u> | <u>—</u> |

Bank loans are secured by way of a fixed and floating charge over the assets of the company

8. Related Party Transactions

At the year end the company owed The Devon Cider Company Limited £163,360. The Devon Cider Company Limited is related by virtue of its common ownership. During the year the company charged rent of £235,875 for the use of its freehold premises. This amount has been included in accrued income. During the year the company was charged management charges of £30,000 by The Devon Cider Company Limited.

9. Share Capital

Authorised share capital:

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

Allotted and called up:

| | 2006 No | £ | 2005 No | £ |
|----------------------------|---------------|---------------|------------|----------|
| Equity shares | | | | |
| Ordinary shares of £1 each | <u>43,000</u> | <u>43,000</u> | <u>2</u> | <u>2</u> |

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:

| | 2006 £ | 2005 £ |
|-----------------|--------------|-----------|
| Ordinary shares | <u>6,800</u> | <u>2</u> |

Devon Commercial Property Limited

Notes and Accounting Policies

Year Ended 31 March 2006

10. Revaluation Reserve

| | 2006 | 2005 |
|-----------------------------|-------------------------|-------------|
| | £ | £ |
| Revaluation of fixed assets | 2,036,625 | — |
| Balance carried forward | <u>2,036,625</u> | <u>—</u> |

11. Profit and Loss Account

| | 2006 | 2005 |
|-----------------------------|-----------------------|-------------|
| | £ | £ |
| Loss for the financial year | (9,437) | — |
| Balance carried forward | <u>(9,437)</u> | <u>—</u> |

12. Post balance sheet events

Details of significant events since the balance sheet date are disclosed in note 1a to the accounts