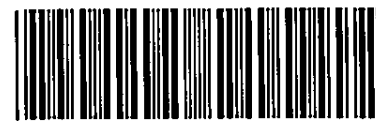


REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
FOR
CRESLEE PROPERTIES LIMITED

TUESDAY



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for the year ended 31 December 2008

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CRESLEE PROPERTIES LIMITED

COMPANY INFORMATION
for the year ended 31 December 2008

| | |
|---------------------------|--|
| DIRECTOR. | Mr B W Ritchie |
| SECRETARY | Mr J S D A Rust |
| REGISTERED OFFICE | 19-20 Bourne Court Southend Road Woodford Green Essex IG8 8HD |
| REGISTERED NUMBER. | 05651988 |
| AUDITORS | Deloitte LLP Chartered Accountants and Registered Auditors London, UK |

REPORT OF THE DIRECTOR
for the year ended 31 December 2008

The director presents his report with the financial statements of the company for the year ended 31 December 2008

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property trading and development

REVIEW OF BUSINESS

The current economic conditions have created a number of uncertainties in the market in which the company operates. The director considers the results for the period to be satisfactory.

DIRECTOR

Mr B W Ritchie held office during the whole of the period from 1 January 2008 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

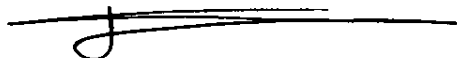
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD:



Mr B W Ritchie - Director

Date 12-APR-2010

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CRESLEE PROPERTIES LIMITED

We have audited the financial statements of Creslee Properties Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 a Report of the Auditors 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 director and auditors

The director's 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 Director's 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 Report of the Director 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 director's 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.

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 director 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 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 Director is consistent with the financial statements.



Deloitte LLP
Chartered Accountants and
Registered Auditors
London, UK

Date 12/04/10

CRESLEE PROPERTIES LIMITED (REGISTERED NUMBER 05651988)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2008

| | Notes | 2008 £ | 2007 £ |
|--|-------|------------------|-----------------|
| TURNOVER | | - | - |
| Administrative expenses | | <u>(37,139)</u> | <u>(28,133)</u> |
| | | (37,139) | (28,133) |
| Other operating income | | <u>66,487</u> | <u>55,313</u> |
| OPERATING PROFIT | 2 | 29,348 | 27,180 |
| Interest receivable and similar income | | <u>-</u> | <u>64</u> |
| | | 29,348 | 27,244 |
| Interest payable and similar charges | | <u>(188,969)</u> | <u>(59,043)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (159,621) | (31,799) |
| Tax on loss on ordinary activities | 3 | <u>-</u> | <u>-</u> |
| LOSS FOR THE FINANCIAL YEAR AFTER TAXATION | | <u>(159,621)</u> | <u>(31,799)</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

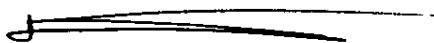
The company has no recognised gains or losses other than the losses for the current year or previous year

CRESLEE PROPERTIES LIMITED (REGISTERED NUMBER 05651988)

BALANCE SHEET
31 December 2008

| | Notes | 2008 £ | 2007 £ |
|--|-------|-------------------------|------------------------|
| CURRENT ASSETS | | | |
| Stock of property | | 1,055,374 | 1,066,995 |
| Debtors | 4 | - | 1,641 |
| Cash at bank | | <u>71,603</u> | <u>9,420</u> |
| | | 1,126,977 | 1,078,056 |
| CREDITORS | | | |
| Amounts falling due within one year | 5 | <u>(7,128)</u> | <u>(25,449)</u> |
| NET CURRENT ASSETS | | <u>1,119,849</u> | <u>1,052,607</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,119,849 | 1,052,607 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 6 | <u>(1,291,737)</u> | <u>(1,064,874)</u> |
| NET LIABILITIES | | <u><u>(171,888)</u></u> | <u><u>(12,267)</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 50,001 | 50,001 |
| Profit and loss account | 9 | <u>(221,889)</u> | <u>(62,268)</u> |
| SHAREHOLDERS' FUNDS | 13 | <u><u>(171,888)</u></u> | <u><u>(12,267)</u></u> |

The financial statements were approved by the director on 12-APR-2010 and were signed by



Mr B W Ritchie - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The director has prepared these accounts on the going concern basis due to the continued support of the parent company

Accounting convention

The financial statements have been prepared under the historical cost convention

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year

Going concern

The financial statements have been prepared on a going concern basis, which assumes the company will be able to meet its liabilities as they fall due, for the foreseeable future

The current economic conditions have created a number of uncertainties in the market in which the company operates, in particular in respect of asset valuations

The company is party to a cross guarantee over debt drawn across the Pureskill group secured on the company's assets. The group financing arrangements include valuation covenants amongst other requirements

The director has acknowledged the latest FRC guidance on going concern during the current economic conditions. The group has prepared forecasts (including those of the company), taking into account reasonably possible changes, which have been reviewed by the director, based on estimates and judgements about the economic environment in which the group operates. In addition the parent company Pureskill Limited has confirmed that it will provide financial support for the company to meet its liabilities for the foreseeable future

After making enquiries, the director has formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements

Financial Reporting Standard Number 1 (revised)

Under the provisions of Financial Reporting Standard No 1 (revised), the company has not prepared a cash flow statement because its ultimate parent undertaking, Pureskill Limited, which is incorporated in Great Britain, has prepared consolidated financial statements which include a cash flow statement incorporating the cash flows of the company

Stocks

Stocks are valued at the lower of cost and net realisable value

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and is stated net of discounts and VAT

Revenue comprises income in relation to the sale of properties and is recognised on the point of completion

2 OPERATING PROFIT

The operating profit is stated after charging

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Fees payable to the company's auditors for the audit of the company's annual accounts | 959 | - |
| Director's emoluments and other benefits etc | <u>-</u> | <u>-</u> |

The director is an employee of another company within the group and is not paid for his services as a director of this company. The company had no employees in the current or previous year

Fees payable to the company's auditors for the audit of the company's accounts for the previous year of £1,047 has been borne by another group company

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2008 nor for the year ended 31 December 2007

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2008

3 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2008 £ | 2007 £ |
|--|------------------|-----------------|
| Loss on ordinary activities before tax | <u>(159,621)</u> | <u>(31,799)</u> |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%) | (44,694) | (9,540) |
| Effects of Movement/utilisation of tax losses | <u>44,694</u> | <u>9,540</u> |
| Current tax charge | <u>-</u> | <u>-</u> |

Factors that may affect future tax charges

A deferred tax asset of £59,055 (2007: £14,361) relating to unrelieved tax losses at the balance sheet date has not been recognised on the basis there is no certainty that there will be future taxable profits against which these can be offset.

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2008 £ | 2007 £ |
|---------------|-----------|--------------|
| Trade debtors | <u>-</u> | <u>1,641</u> |

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2008 £ | 2007 £ |
|-----------------|--------------|---------------|
| Trade creditors | 433 | - |
| Other creditors | <u>6,695</u> | <u>25,449</u> |
| | <u>7,128</u> | <u>25,449</u> |

6 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2008 £ | 2007 £ |
|------------------------|------------------|------------------|
| Amounts owed to parent | <u>1,291,737</u> | <u>1,064,874</u> |

7 SECURED DEBTS

The following secured debts are included within creditors:

| | 2008 £ | 2007 £ |
|--------------------|------------------|------------------|
| Group undertakings | <u>1,291,737</u> | <u>1,064,874</u> |

The borrowings from Pureskill Limited are secured by a fixed and floating charge over the company's assets and are repayable on 13 December 2011.

8 CALLED UP SHARE CAPITAL

| Authorised Number | Class | Nominal value £1 | 2008 £ | 2007 £ |
|-------------------------------|----------|------------------------|---------------|---------------|
| 51,000 | Ordinary | | <u>51,000</u> | <u>51,000</u> |
| Allotted and issued Number | Class | Nominal value £1 | 2008 £ | 2007 £ |
| 50,001 | Ordinary | | <u>50,001</u> | <u>50,001</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2008

9 RESERVES

Profit
and loss
account
£

| | |
|----------------------|------------------|
| At 1 January 2008 | (62,268) |
| Deficit for the year | <u>(159,621)</u> |
| At 31 December 2008 | <u>(221,889)</u> |

10 ULTIMATE PARENT COMPANY

The ultimate controlling party is Pureskill Limited, by virtue of it's ownership of the entire issued share capital of Residential & Commercial Holdings Limited

11 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption within Financial Reporting Standard Number 8 in relation to the disclosure of transactions with other group companies

During the year the company paid management charges of £5,754 (2007 £3,913) to Residential Land Management Limited, a company in which Mr B W Ritchie is also a director

At the balance sheet date the company owed £nil (2007 £11,621) to Residential Land Limited, a company in which Mr B W Ritchie is also a director

12 ULTIMATE CONTROLLING PARTY

The company is a subsidiary undertaking of Residential and Commercial Holdings Limited The ultimate parent company is Pureskill Limited

The smallest and largest group in which the results of the company are consolidated is Pureskill Limited whose accounts can be obtained from 19-20 Bourne Court, Southend Road, Woodford Green, Essex IG8 8HD

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2008 £ | 2007 £ |
|--------------------------------------|------------------|-----------------|
| Loss for the financial year | <u>(159,621)</u> | <u>(31,799)</u> |
| Net reduction of shareholders' funds | (159,621) | (31,799) |
| Opening shareholders' funds | <u>(12,267)</u> | <u>19,532</u> |
| Closing shareholders' funds | <u>(171,888)</u> | <u>(12,267)</u> |