

REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
FOR
NEWNEED LIMITED



CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6

NEWNEED 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

06250135

AUDITORS

Deloitte LLP
Chartered Accountants and
Registered Auditors
London UK

NEWNELL LIMITED (REGISTERED NUMBER 06250135)

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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

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 06 APR - 10

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
NEWNEED LIMITED**

We have audited the financial statements of Newneed 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

Deloitte LLP
Chartered Accountants and
Registered Auditors
London, UK

Date

6.4.10

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2008

	Notes	Year Ended 31 12 08 £	Period 16 5 07 to 31 12 07 £
TURNOVER		-	-
Cost of sales		<u>(1,701,148)</u>	<u>-</u>
GROSS LOSS		(1,701,148)	-
Administrative expenses		<u>(188,667)</u>	<u>(90,187)</u>
		(1,889,815)	(90,187)
Other operating income		<u>342,955</u>	<u>58,919</u>
OPERATING LOSS	2	(1,546,860)	(31,268)
Interest receivable and similar income		<u>-</u>	<u>18</u>
		(1,546,860)	(31,250)
Interest payable and similar charges		<u>(565,626)</u>	<u>(191,769)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,112,486)	(223,019)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR/PERIOD AFTER TAXATION		<u>(2,112,486)</u>	<u>(223,019)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

NCWNEED LIMITED (REGISTERED NUMBER, 06250135)

BALANCE SHEET
31 December 2008

	Notes	2008 £	2007 £
CURRENT ASSETS			
Stock of property		6,056,000	7,723,776
Debtors	4	7,565	-
Cash at bank		<u>29,866</u>	<u>18,057</u>
		6,093,431	7,741,833
CREDITORS			
Amounts falling due within one year	5	<u>(171,166)</u>	<u>(233,245)</u>
NET CURRENT ASSETS		<u>5,922,265</u>	<u>7,508,588</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,922,265	7,508,588
CREDITORS			
Amounts falling due after more than one year	6	<u>(8,257,769)</u>	<u>(7,731,606)</u>
NET LIABILITIES		<u>(2,335,504)</u>	<u>(223,018)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	<u>(2,335,505)</u>	<u>(223,019)</u>
SHAREHOLDERS' FUNDS	13	<u>(2,335,504)</u>	<u>(223,018)</u>

The financial statements were approved by the director on 26 APR - 10 and were signed by


Mr B W Ritchie - Director

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

1 ACCOUNTING POLICIES

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 current year and preceding period.

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 and group operates, in particular in respect of asset valuations. The company's 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, Acquire London 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

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary of a parent company preparing consolidated financial statements in which the company is included.

Stocks

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

Turnover

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.

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.

Rental income

Rental income is recognised on an accruals basis.

2 OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31 12 08	Period 16 5 07 to 31 12 07
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	7,884	-
Formation costs	<u>-</u>	<u>235</u>
Directors' emoluments	<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 year or previous period.

Fees payable to the company's auditors for the audit of the company's accounts for the previous period of £6,059 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 period 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

	Year Ended 31 12 08 £	Period 16 5 07 to 31 12 07 £
Loss on ordinary activities before tax	<u>(2,112,486)</u>	<u>(223,019)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	(591,496)	(66,906)
Effects of		
Expenses not deductible for tax purposes	-	71
Group relief not paid for surrendered	-	66,835
Movement/utilisation of tax losses	<u>591,496</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

A deferred tax asset of £591,496 (2007 nil) 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 £
Other debtors	<u>7,565</u>	<u>-</u>

5 CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	2,849	-
Amounts owed to group undertakings	133,692	143,525
Other creditors	<u>34,625</u>	<u>89,720</u>
	<u>171,166</u>	<u>233,245</u>

6 CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Bank loans (see note 7)	8,257,769	7,557,398
Other creditors	<u>-</u>	<u>174,208</u>
	<u>8,257,769</u>	<u>7,731,606</u>

7 LOANS

An analysis of the maturity of loans is given below

	2008 £	2007 £
Amounts falling due between two and five years		
Bank loans	<u>8,257,769</u>	<u>7,557,398</u>

8 SECURED DEBTS

The following secured debts are included within creditors

	2008 £	2007 £
Bank loans	<u>8,257,769</u>	<u>7,557,398</u>

The bank loans are secured over the assets owned by the company and are repayable on 27th February 2012

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

9 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2008 £	2007 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	2008 £	2007 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

10 RESERVES

	Profit and loss account £
At 1 January 2008	(223,019)
Deficit for the year	<u>(2,112,486)</u>
At 31 December 2008	<u>(2,335,505)</u>

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 £27,159 (2007 - £4,499) 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 - £458) to Residential Land Limited, a company in which Mr B W Ritchie is also a director

12 ULTIMATE CONTROLLING PARTY

The ultimate parent and controlling party is Acquire London Limited by virtue of its ownership of the entire issued share capital

The largest and smallest group in which the results of Newneed Limited are consolidated is that headed by Acquire London Limited a company incorporated in Great Britain and registered in England and Wales, whose accounts can be obtained from 19-20 Bourne Court Southend Road, Woodford Green IG8 8HD

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Loss for the financial year	(2,112,486)	(223,019)
Proceeds on share issue	<u>-</u>	<u>1</u>
Net reduction of shareholders' funds	(2,112,486)	(223,018)
Opening shareholders' funds	<u>(223,018)</u>	<u>-</u>
Closing shareholders' funds	<u>(2,335,504)</u>	<u>(223,018)</u>