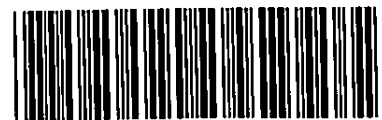


ZEST INVESTMENT GROUP LIMITED

Report and Financial Statements

Period ended 30 September 2009

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REPORT AND FINANCIAL STATEMENTS 2009

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

E J Coyle
G Sizer

REGISTERED OFFICE

Park Hall
Middleton St George Hospital
Darlington
County Durham
DL2 1TS

BANKERS

Ulster Bank Limited
11-16 Donegall Square East
Belfast
BT7 5UB

SOLICITORS

DLA Piper UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

ACCOUNTANTS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

DIRECTORS' REPORT

The directors present their first annual report and the audited financial statements for the period ended 30 September 2009. Zest Investment Group Limited was incorporated on 29 August 2008. The directors therefore present their annual report and financial statements for the 13 month period ended 30 September 2009.

ACTIVITIES

The Company was incorporated on 29 August 2008. The principal activity of the company during the period has been an investment holding company.

DIRECTORS

The directors who served throughout the period were as follows:

E J Coyle (Appointed on 29 August 2008)
G Sizer (Appointed on 29 August 2008)

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 7, of the financial statements.

AUDITORS

In case of the persons who are directors of the company at the date when this report is approved,

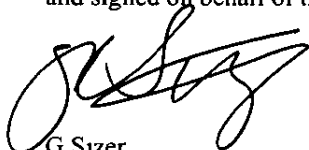
- So far as they are aware there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

SPECIAL EXEMPTIONS

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Directors
and signed on behalf of the Board



G Sizer
Director

30 June 2010

DIRECTORS' RESPONSIBILITIES STATEMENT

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEST INVESTMENT GROUP LIMITED

We have audited the financial statements of Zest Investment Group Limited for the period from 29 August 2008 to 30 September 2009 which comprises the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 an 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 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its loss for the period from 29 August 2008 to 30 September 2009,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

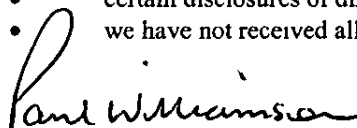
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Paul Williamson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne, United Kingdom

Date

1 July 2010.

ZEST INVESTMENT GROUP LIMITED

PROFIT AND LOSS ACCOUNT 13 month period ended 30 September 2009

	Note	13 months ended 30 September 2009 £
TURNOVER		-
Administrative expenses		(92,749)
OPERATING LOSS		(92,749)
Interest receivable		318
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(92,431)
Tax on loss on ordinary activities	3	-
LOSS FOR THE FINANCIAL YEAR	9	(92,431)

All activities derive from continuing operations

The company has no recognised gains and losses for the current financial period other than as stated in the profit and loss account and therefore no separate Statement of Total Recognised Gains and Losses has been presented

ZEST INVESTMENT GROUP LIMITED

BALANCE SHEET 30 September 2009

	Note	30 September 2009 £	£
FIXED ASSETS			
Investments	4		7
CURRENT ASSETS			
Debtors	5	3,196,339	
Cash at bank and in hand		181,858	
		<u>3,378,197</u>	
CREDITORS: Amounts falling due within one year	6	<u>(181,807)</u>	
NET CURRENT ASSETS			<u>3,196,390</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,196,397
CREDITORS: Amounts falling due in more than one year	7		<u>(3,288,528)</u>
NET LIABILITIES			<u>(92,131)</u>
CAPITAL AND RESERVES			
Called up share capital	8		300
Profit and loss account	9		<u>(92,431)</u>
SHAREHOLDERS' DEFICIT	9		<u>(92,131)</u>

The financial statements of Zest Investment Group Limited registered number 06684578 were approved by the Board of Directors on *30 June 2010*

Signed on behalf of the Board of Directors



G Sizer

Director

NOTES TO THE ACCOUNTS
Period ended 30 September 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current period.

Accounting convention

The financial statements have been prepared in accordance with the historical cost convention.

Basis of consolidation

Under the provisions of section 383 of the Companies Act 2006 the company qualifies as a small group and is exempt from preparing consolidated financial statements. The financial statements therefore present information about the company as an individual company and not as a group.

Going concern

The company's principal activity is described in the directors' report. The financial position of the company is set out on page 6.

The current economic conditions create uncertainty over (a) the property yield and valuation, and (b) the liquidity position of the company.

As highlighted in note 7 to the financial statements, the company meets its day-to-day working capital requirements through shareholder loans. The company currently has cash balances which the directors consider to be sufficient for its likely future requirements. The directors also have assurances that the shareholders will continue to support the company.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its cash balances.

Thus the directors have a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investment

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Taxation

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Cash flow statement

The company is not presenting a cash flow statement in accordance with the exemption in FRS 1 - Cash Flow Statements. The company qualifies as a small company in companies legislation.

NOTES TO THE ACCOUNTS
Period ended 30 September 2009

2. EMPLOYEES

The average number of employees (including directors) was

	Period ended 30 September 2009 No.
Directors	2

The directors received no emoluments during the current financial period for their services to the company

3. TAX ON LOSS ON ORDINARY ACTIVITIES

i) Analysis of tax charge on ordinary activities

	Period ended 30 September 2009 £
United Kingdom corporation tax on the loss for the period	-
Tax on loss on ordinary activities	-

ii) Factors affecting the tax charge for the current period

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK 28%

The differences are explained below

	Period ended 30 September 2009 £
Loss on ordinary activities before tax	(92,431)
Tax at 28% thereon	(25,881)
Effects of Expenses not deductible for tax purposes	16,621
Non utilisation of tax losses	9,260
Current tax charge for period	-

A deferred tax asset has not been recognised in respect of unused losses. The amount of the asset not recognised is £9,260

NOTES TO THE ACCOUNTS
Period ended 30 September 2009

4. FIXED ASSET INVESTMENTS

	£
Cost and net book value	
At 29 August 2008	-
Additions	7
	<hr/>
At 30 September 2009	7
	<hr/>

The company owns the entire issued share capital of the following entities

	Country of incorporation	Principal activity	Holding	%
Zest Investment (Watton) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Bohill) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Newtownards) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Swaffham) Limited	Northern Ireland	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Omagh) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Portadown) Limited	England	Development and letting of investment property	Ordinary shares	100%
Zest Investment (Bridgewater) Limited	England	Dormant	Ordinary shares	100%

On 31 March 2009, the company acquired the entire issued share capital of Zest Investment (Newtownards) Limited (formerly CAM Capital Limited) for £1. The net assets of the company at acquisition were £1 and therefore no goodwill arose on acquisition.

On 30 April 2009, the company acquired the entire issued share capital of Zest Investment (Swaffham) Limited (formerly Emerald Developments (Enniskillen) Limited) for £1. The net liabilities of the company at acquisition were £24,413 and therefore negative goodwill of £24,412 arose on the acquisition.

NOTES TO THE ACCOUNTS
Period ended 30 September 2009

4. FIXED ASSET INVESTEMENTS (CONTINUED)

All the other subsidiary companies were incorporated with £1 share capital on the following dates

	Date
Zest Investment (Watton) Limited	29 August 2008
Zest Investment (Bohill) Limited	16 December 2008
Zest Investment (Omagh) Limited	25 September 2008
Zest Investment (Portadown) Limited	25 September 2008
Zest Investment (Bridgwater) Limited	7 October 2008

5. DEBTORS

	30 September 2009 £
Amounts due from group undertakings	2,118,511
Amounts due from related parties	1,070,125
Other debtors	7,703
	<u>3,196,339</u>

6. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	30 September 2009 £
Secured bank overdraft	10,922
Trade creditors	24,744
Amounts owed to group undertakings	51,657
Amounts owed to related parties	94,484
	<u>181,807</u>

7. CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	30 September 2009 £
Amounts owed to shareholders	3,288,528

The amounts owed to shareholders are currently interest free and are not repayable within the next 12 months

NOTES TO THE ACCOUNTS
Period ended 30 September 2009

8. SHARE CAPITAL

	30 September 2009 £
Called up, allotted and fully paid	
300 ordinary shares of £1 each	<u>300</u>

1 share was issued at par on incorporation. During the period, the company allotted 299 ordinary shares at par value on 18 December 2008.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	30 September 2009 £
Issue of share capital on incorporation	1
Introduction of share capital	299
Loss for the financial period	<u>(92,431)</u>
Net decrease to shareholders' deficit	<u>(92,131)</u>
Closing shareholders' deficit	<u>(92,131)</u>

10. COMMITMENTS

The company is party to an omnibus guarantee in favour of Ulster Bank to secure group borrowings. The total borrowings outstanding at the period end were £12,226,484.

11. RELATED PARTY TRANSACTIONS

The company is exempt from the requirements of FRS 8 'Related Party Disclosures' to disclose transactions with other members of the company. Other than as disclosed below, there have been no transactions with the directors of the company (refer to note 2), or of the group in the year.

Included within amounts owed to shareholders is an amount due to a director of £1,558,621 as at 30 September 2009. This balance is currently interest free and has no fixed repayment date.

During the period, Zest Investment (Swaffham) Limited was acquired from a director of the company (note 4).

12. CONTROLLING PARTY

The company is jointly controlled by the directors who both individually hold 31.67 per cent of the issued share capital of the company.