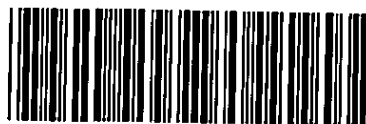


**Report of the Directors and
Financial Statements
for the Year Ended 31 March 2007
for
Nova Holdings (Salisbury) Limited**

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**Contents of the Financial Statements
for the Year Ended 31 March 2007**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	8

Nova Holdings (Salisbury) Limited

**Company Information
for the Year Ended 31 March 2007**

DIRECTORS:

P L Murphy
M Slane
P Williams

SECRETARY:

P Williams

REGISTERED OFFICE:

2a Alexandra Grove
North Finchley
London
N12 8NU

REGISTERED NUMBER:

30733 (England and Wales)

AUDITORS:

Elliotts Shah
Registered Auditor
2nd Floor
King House
5 -11 Westbourne Grove
London
W2 4UA

**Report of the Directors
for the Year Ended 31 March 2007**

The directors present their report with the financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2007

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2006 to the date of this report

P L Murphy
M Slane
P Williams

The directors' interests in the shares of the parent company, C&G Properties plc, are disclosed in the accounts of that company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each 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.

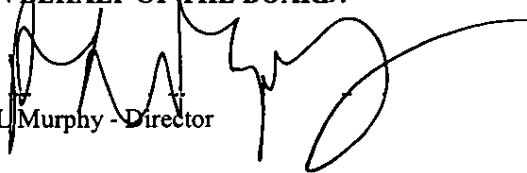
Nova Holdings (Salisbury) Limited

**Report of the Directors
for the Year Ended 31 March 2007**

AUDITORS

The auditors, Elliotts Shah, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:


P L Murphy - Director

Date 2/11/07

**Report of the Independent Auditors to the Shareholders of
Nova Holdings (Salisbury) Limited**

We have audited the financial statements of Nova Holdings (Salisbury) Limited for the year ended 31 March 2007 on pages five to eleven. 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 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

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 on page two.

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 Directors 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 Report of the Directors 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.

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 March 2007 and of its profit 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 Directors is consistent with the financial statements.

Elliotts Shah

Elliotts Shah
Registered Auditor
2nd Floor
King House
5 -11 Westbourne Grove
London
W2 4UA

Date 2/11/07

Nova Holdings (Salisbury) Limited**Profit and Loss Account
for the Year Ended 31 March 2007**

	Notes	2007 £	£	2006 £	£
TURNOVER	2		49,709		32,321
Property costs		18,411		2,451	
Administrative expenses		<u>7,339</u>	<u>25,750</u>	<u>7,465</u>	<u>9,916</u>
OPERATING PROFIT	4		23,959		22,405
Interest receivable and similar income			<u>1,392</u>		<u>1,499</u>
			25,351		23,904
Interest payable and similar charges	5		<u>-</u>		<u>54</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			25,351		23,850
Tax on profit on ordinary activities	6		<u>6,336</u>		<u>285</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u>19,015</u>		<u>23,565</u>

CONTINUING OPERATIONS

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

Nova Holdings (Salisbury) Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2007**

	2007 £	2006 £
PROFIT FOR THE FINANCIAL YEAR	19,015	23,565
Unrealised surplus on revaluation of properties	105,000	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>124,015</u>	<u>23,565</u>

The notes form part of these financial statements

Nova Holdings (Salisbury) Limited

**Balance Sheet
31 March 2007**

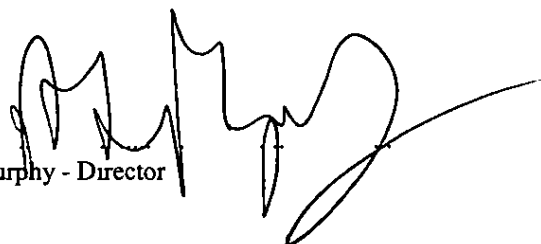
	Notes	2007 £	£	2006 £	£
FIXED ASSETS					
Investment property	7		780,000		675,000
CURRENT ASSETS					
Debtors	8	2,175,716		2,144,913	
Cash at bank		29,586		40,922	
		<u>2,205,302</u>		<u>2,185,835</u>	
CREDITORS					
Amounts falling due within one year	9	<u>10,044</u>		<u>9,592</u>	
NET CURRENT ASSETS			<u>2,195,258</u>		<u>2,176,243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>2,975,258</u></u>		<u><u>2,851,243</u></u>
CAPITAL AND RESERVES					
Called up share capital	10		199,904		199,904
Revaluation reserve	11		494,040		389,040
Profit and loss account	11		<u>2,281,314</u>		<u>2,262,299</u>
SHAREHOLDERS' FUNDS	14		<u><u>2,975,258</u></u>		<u><u>2,851,243</u></u>

The financial statements were approved by the Board of Directors on its behalf by

2/11/07

and were signed on

P L Murphy - Director



The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost conventions as modified by the revaluation of certain assets and are in accordance with applicable accounting standards

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cashflow statement on the grounds that a consolidated cashflow statement has been included in the accounts of the parent company

Turnover

Turnover represents rents and service charges receivable net of VAT

Investment property

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

Deferred tax

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

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets. On the basis of these financial statements, no provision has been made for deferred tax

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

3 STAFF COSTS

There were no staff costs for the year ended 31 March 2007 nor for the year ended 31 March 2006

4 OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Auditors' remuneration	2,500	2,000
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Interest on overdue tax	-	54
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2007

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	2,192	7,155
Adjustment for prior years	(5,119)	(16,898)
Payment in respect of group relief	9,263	10,028
	<u>6,336</u>	<u>285</u>
Tax on profit on ordinary activities	<u>6,336</u>	<u>285</u>

UK corporation tax has been charged at 19%

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

	2007 £	2006 £
Profit on ordinary activities before tax	<u>25,351</u>	<u>23,850</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2006 - 30%)	4,817	7,155
Effects of Adjustment to previous periods	(5,119)	(16,898)
Other tax adjustments	6,638	10,028
Current tax charge	<u>6,336</u>	<u>285</u>

Factors that may affect future tax charges

No provision has been made for taxation which might become payable if the company's investment property was sold at the net amount stated in these financial statements, the additional tax liability could amount to approximately £88,000 (2006 £64,000)

7 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 April 2006	675,000
Revaluations	105,000
At 31 March 2007	<u>780,000</u>
NET BOOK VALUE	
At 31 March 2007	<u>780,000</u>
At 31 March 2006	<u>675,000</u>

The investment property is stated at directors' valuation. The historical cost of the investment property is £285,960 (2006 £285,960)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2007

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	5,501	-
Amounts owed by group undertakings	2,170,047	2,144,592
Prepayments and accrued income	168	321
	<u>2,175,716</u>	<u>2,144,913</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	3,537	428
Tax	2,192	7,155
VAT	1,806	-
Other creditors	9	9
Accruals and deferred income	2,500	2,000
	<u>10,044</u>	<u>9,592</u>

10 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
387,500	Ordinary	£1	387,500	387,500
12,500	Preference	£1	12,500	12,500
			<u>400,000</u>	<u>400,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
187,410	Ordinary	£1	187,410	187,410
12,494	Preference	£1	12,494	12,494
			<u>199,904</u>	<u>199,904</u>

11 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2006	2,262,299	389,040	2,651,339
Profit for the year	19,015		19,015
Revaluation during the year	-	105,000	105,000
	<u>2,281,314</u>	<u>494,040</u>	<u>2,775,354</u>
At 31 March 2007			

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2007**

12 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of C&G Properties plc, a company registered in England and Wales. C&G Properties plc is under the control of the director, P L Murphy, by virtue of his beneficial interest in the issued share capital of that company.

13 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	19,015	23,565
Other recognised gains and losses relating to the year (net)	105,000	-
Net addition to shareholders' funds	124,015	23,565
Opening shareholders' funds	2,851,243	2,827,678
Closing shareholders' funds	2,975,258	2,851,243