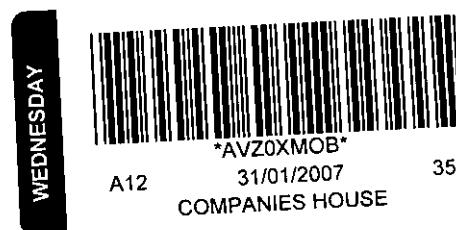


**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2005 TO 31 MARCH 2006  
FOR  
TLPD LIMITED  
32352**



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for the period 1 July 2005 to 31 March 2006**

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**TLPD LIMITED**

**COMPANY INFORMATION**

**for the period 1 July 2005 to 31 March 2006**

**DIRECTORS:** A C Gallagher  
G H Gosling

**SECRETARY:** S A Burnett

**REGISTERED OFFICE:** 15 Hockley Court  
Stratford Road  
Hockley Heath  
Solihull  
West Midlands  
B94 6NW

**REGISTERED NUMBER:** 32352 (England and Wales)

**AUDITORS:** PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

## **TLPD LIMITED**

### **REPORT OF THE DIRECTORS for the period 1 July 2005 to 31 March 2006**

The directors present their report with the audited financial statements of the company for the period 1 July 2005 to 31 March 2006.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of holding investments.

#### **REVIEW OF BUSINESS**

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

The company sold its direct land interests in the prior period and now holds an interest in an investment property company.

Both the result for the period, and the period end financial position were satisfactory. The directors consider future prospects to be satisfactory.

#### **DIVIDENDS**

A dividend of £2,400,000 has been paid in respect of the period ended 31 March 2006 (year ended 30 June 2005: none).

#### **DIRECTORS**

The directors during the period under review were:

A C Gallagher  
G H Gosling

The directors holding office at 31 March 2006 did not hold any direct beneficial interest in the issued share capital of the company at 1 July 2005 or 31 March 2006.

The interests of the directors in the shares of the holding company can be seen in the Report and Accounts of that company.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 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.

# **TLPD LIMITED**

## **REPORT OF THE DIRECTORS for the period 1 July 2005 to 31 March 2006**

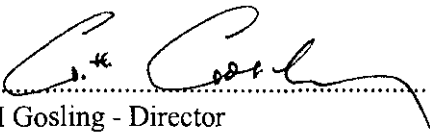
### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

So far as the directors are aware, there is no relevant information of which the company's auditors are unaware, and the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITORS**

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

### **ON BEHALF OF THE BOARD:**

  
.....  
G H Gosling - Director

5 January 2007

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLPD LIMITED

We have audited the financial statements of TLPD Limited for the period ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### 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 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 not consistent with the financial statement.

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 audit opinion

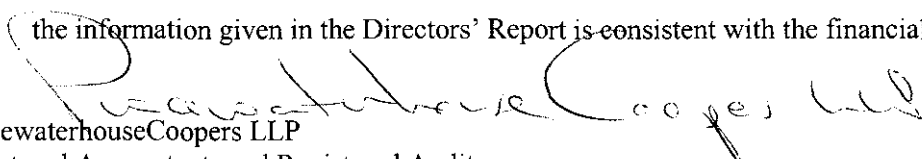
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 2006 and of its profit for the nine month period 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.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham  
5 January 2007

**TLPD LIMITED**

**PROFIT AND LOSS ACCOUNT**

**for the period 1 July 2005 to 31 March 2006**

	Notes	Period 1.7.05 to 31.3.06 £	Year Ended 30.6.05 £
<b>TURNOVER</b>	2	-	445,003
Cost of sales		-	(56,404)
<b>GROSS PROFIT</b>		-	388,599
Administrative expenses		(1,001)	(1,265)
		(1,001)	387,334
Other operating income		-	4,000
<b>OPERATING (LOSS)/PROFIT</b>	4	(1,001)	391,334
Income from fixed asset investments		34,164	59,651
Interest receivable and similar income	5	72,017	318,994
		105,180	769,979
Interest payable and similar charges	6	-	(301)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		105,180	769,678
Tax on profit on ordinary activities	7	(21,305)	(210,503)
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		83,875	559,175
Dividends	8	(2,400,000)	-
<b>RETAINED (LOSS)/PROFIT FOR THE PERIOD</b>	13	(2,316,125)	559,175

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

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

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

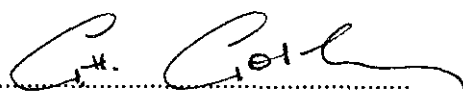
There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The notes form part of these financial statements

**TLPD LIMITED****BALANCE SHEET****31 March 2006**

	Notes	31.3.06 £	30.6.05 £
<b>FIXED ASSETS</b>			
Investments	9	408,325	408,325
<b>CURRENT ASSETS</b>			
Debtors	10	1,795,258	4,110,383
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(1,000)</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>1,794,258</u>	<u>4,110,383</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,202,583</u>	<u>4,518,708</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2,085,240	2,085,240
Profit and loss account	13	<u>117,343</u>	<u>2,433,468</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u>2,202,583</u>	<u>4,518,708</u>

**ON BEHALF OF THE BOARD:**

  
.....  
G H Gosling - Director

Approved by the Board on 5 January 2007

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period 1 July 2005 to 31 March 2006**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Cash flow statement**

The company is a wholly-owned subsidiary of Ashflame Properties Limited and is included in the consolidated accounts of its parent which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised).

**Turnover**

Turnover represents the invoiced value of work done resulting from property development activities. Turnover from land sales is recognised on completion.

**Cost of sales**

In addition to the direct costs originally stocked in work in progress attributable to each sales transaction, included within cost of sales are expenses relating to fees expended in promoting developments through the planning system which are written off to the profit and loss account until the viability of such a development is reasonably secure.

**Deferred tax**

Full provision is made on a non-discounted basis for deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

**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 period ended 31 March 2006 nor for the year ended 30 June 2005.

The average monthly number of employees during the period was as follows:

	Period	
	1.7.05	
	to	Year Ended
	31.3.06	30.6.05
Directors	<u>2</u>	<u>2</u>

# TLPD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 July 2005 to 31 March 2006

### 4. OPERATING (LOSS)/PROFIT

The operating loss (2005 - operating profit) is stated after charging:

	Period 1.7.05 to 31.3.06 £	Year Ended 30.6.05 £
Auditors' remuneration	<u>1,000</u>	<u>1,250</u>
Directors' emoluments	<u>-</u>	<u>-</u>

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 1.7.05 to 31.3.06 £	Year Ended 30.6.05 £
Other interest receivable	-	50
Interest received from related undertakings	-	318,944
Interest received from group undertakings	<u>72,017</u>	<u>-</u>
	<u>72,017</u>	<u>318,994</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.7.05 to 31.3.06 £	Year Ended 30.6.05 £
Interest payable	<u>-</u>	<u>301</u>

# TLPD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 July 2005 to 31 March 2006

### 7. TAXATION

#### Analysis of the tax charge

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

	Period 1.7.05 to 31.3.06 £	Year Ended 30.6.05 £
Current tax:		
Group relief	21,305	-
Prior year corporation tax	<u>-</u>	<u>210,503</u>
 Tax on profit on ordinary activities	 <u>21,305</u>	 <u>210,503</u>

The current corporation tax credit differs from the standard UK corporation tax rate of 30% applied to the profit for the period/year. The differences are:

	£	£
Profit for the period/year at 30%	31,554	230,903
Other timing differences	-	(2,505)
Dividends received not subject to tax	<u>(10,249)</u>	<u>(17,895)</u>
	<u>21,305</u>	<u>210,503</u>

### 8. DIVIDENDS

	Period 1.7.05 to 31.3.06 £	Year Ended 30.6.05 £
Equity shares:		
Ordinary stock shares of 50p each		
Final	<u>2,400,000</u>	<u>-</u>
	<u>2,400,000</u>	<u>-</u>

**TLPD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the period 1 July 2005 to 31 March 2006**

**9. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 July 2005	
and 31 March 2006	<u>408,325</u>
<b>NET BOOK VALUE</b>	
At 31 March 2006	<u>408,325</u>
At 30 June 2005	<u>408,325</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.06 £	30.6.05 £
Amounts owed by group undertakings	<u>1,795,258</u>	<u>4,110,383</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.06 £	30.6.05 £
Accruals and deferred income	<u>1,000</u>	<u>-</u>

**12. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.3.06 £	30.6.05 £
4,170,480	Ordinary stock	50p	2,085,240	2,085,240
829,520	Ordinary shares	50p	<u>414,760</u>	<u>414,760</u>
			<u>2,500,000</u>	<u>2,500,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.06 £	30.6.05 £
4,170,480	Ordinary stock	50p	<u>2,085,240</u>	<u>2,085,240</u>

# TLPD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 July 2005 to 31 March 2006

### 13. RESERVES

	Profit and loss account £
At 1 July 2005	2,433,468
Loss for the period	(2,316,125)
At 31 March 2006	<u>117,343</u>

### 14. RELATED PARTY DISCLOSURES

#### GROUP COMPANIES

The company has taken advantage of the exemption in FRS8 not to disclose transactions with other group companies, as it is a wholly owned subsidiary within a consolidated group.

#### RELATED COMPANIES

TLPD was previously owned by J J Gallagher. Interest was received on the loan to J J Gallagher at 1% over bank base rates.

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.06 £	30.6.05 £
Profit for the financial period	83,875	559,175
Dividends	(2,400,000)	-
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(2,316,125)</b>	<b>559,175</b>
Opening shareholders' funds	<u>4,518,708</u>	<u>3,959,533</u>
<b>Closing shareholders' funds</b>	<b><u>2,202,583</u></b>	<b><u>4,518,708</u></b>
Equity interests	<u>2,202,583</u>	<u>4,518,708</u>

### 16. CONTROLLING PARTY

TLPD Limited is a wholly owned subsidiary of Ashflame Properties Limited (incorporated in England and Wales), its ultimate parent undertaking.

The ultimate controlling party of the company is Mr A C Gallagher by virtue of his ownership of the issued share capital of the ultimate parent undertaking.