

MAITLAND INVESTMENTS LIMITED

Annual report and financial statements

For the year ended 31 December 2005



REPORT AND FINANCIAL STATEMENTS 2005

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REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

V Maitland OBE
Mrs M M Maitland
Miss A Maitland
B G Ford FCA

SECRETARY

D L Jenkin FCA

REGISTERED OFFICE

9 Conning Tower
75 Haven Road
Poole
Dorset
BH13 7LW

BANKERS

Barclays Bank plc
PO Box 1
Bournemouth
BH1 1ER

ACCOUNTANTS

Deloitte & Touche LLP
Chartered Accountants
Southampton

DIRECTORS' REPORT

The directors present their annual report on the company's affairs, together with the financial statements and independent accountants' report for the year ended 31 December 2005.

ACTIVITIES

The principal activities of the company are property investment, property development and the provision of furnished lettings.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the trading result for the year to be satisfactory and anticipate a similar level of activity next year. The company continues to review opportunities based on prevailing market conditions.

RESULTS AND DIVIDENDS

The profit before tax for the year was £10,801 (2004 : £6,640). The results of the company are set out in detail on page 4. No dividend has been paid during the year (2004: £nil).

DIRECTORS

The present membership of the Board is set out on page 1. All directors served throughout the year with the exception of S A Petterson who resigned on 14 September 2005.

The directors' interests in the ordinary shares of the company at 31 December 2005 and 1 January 2005 were:

	Ordinary shares of £1 each	
	Beneficial holdings	
	2005	2004
	No.	No.
V Maitland OBE (joint family interest)	1*	1*
Mrs M M Maitland (joint family interest)	1*	1*
Miss A Maitland (family interest, one share joint family interest)	16,772*	16,772*
B G Ford FCA	-	-

* By virtue of position as beneficiary or potential beneficiary of certain trusts.

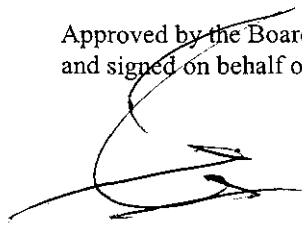
FIXED ASSETS

Land and buildings are held at a valuation of £800,000 (2004: £800,000); there original cost was £248,895. A valuation was carried out at 31 December 2004 with no material change in value as at 31 December 2005.

POST BALANCE SHEET EVENTS

Changes to the shareholdings of the company occurred after the balance sheet date. The changes had no effect on the issued share capital of the company. However the overall controlling party after the change is Maitland Holdings Limited who now own 70% of the issued share capital, whereas there was no controlling party previously.

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



B G Ford
Director

Date : 28 May 2006

INDEPENDENT ACCOUNTANTS' REPORT TO THE DIRECTORS OF MAITLAND INVESTMENTS LIMITED

In accordance with the engagement letter dated 5 April 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise of the profit and loss account, the statement of total recognised gains and losses, note of historical cost profit and losses, the balance sheet, the statement of accounting policies and the related notes 1 to 15, from the accounting records and information and explanations you have given to us.

This report is made to the company's directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's directors that we have done so, and state those matters that we have agreed to state to them in this 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 directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 December 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the financial statements.



Deloitte & Touche LLP
Chartered Accountants
Southampton

Date : 1 June 2006

MAITLAND INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2005

	Note	2005 £	2004 £
TURNOVER: continuing operations	1	<u>63,927</u>	<u>74,480</u>
Staff costs	2	12,272	15,774
Depreciation and other amounts written off tangible fixed assets		1,520	2,026
Other operating charges		<u>44,512</u>	<u>63,849</u>
		<u>58,304</u>	<u>81,649</u>
OPERATING PROFIT/(LOSS): continuing operations		<u>5,623</u>	<u>(7,169)</u>
Interest receivable and similar income		5,430	14,052
Interest payable and similar charges	4	<u>(252)</u>	<u>(243)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	10,801	6,640
Tax on profit on ordinary activities	6	<u>(409)</u>	<u>577</u>
PROFIT FOR THE FINANCIAL YEAR	13,14	<u><u>10,392</u></u>	<u><u>7,217</u></u>

MAITLAND INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2005

	Note	2005 £	2004 £
Profit attributable to the members of the company		10,392	7,217
Unrealised surplus on revaluation of investment properties	8, 13	-	440,000
Total recognised gains and losses for the year		<u>10,392</u>	<u>447,217</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

For the year ended 31 December 2005

	Note	2005 £	2004 £
Profit on ordinary activities before taxation		10,801	6,640
Historical cost profit on ordinary activities before taxation		<u>10,801</u>	<u>6,640</u>
Historical cost profit for the year retained after taxation	13	<u>10,392</u>	<u>7,217</u>

MAITLAND INVESTMENTS LIMITED

BALANCE SHEET

31 December 2005

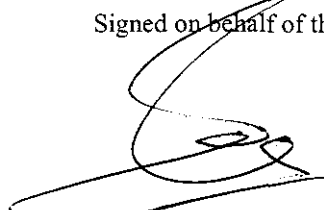
	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	7	804,560	806,080
CURRENT ASSETS			
Debtors	8	1,160,837	1,152,557
Cash at bank and in hand		155,722	169,946
		1,316,559	1,322,503
CREDITORS: amounts falling due within one year	9	(44,398)	(62,254)
NET CURRENT ASSETS		1,272,161	1,260,249
TOTAL ASSETS LESS CURRENT LIABILITIES		2,076,721	2,066,329
CAPITAL AND RESERVES			
Called up share capital	11	24,244	24,244
Investment revaluation reserve	12	551,105	551,105
Profit and loss account	12	1,501,372	1,490,980
TOTAL EQUITY SHAREHOLDERS' FUNDS	13	2,076,721	2,066,329

These annual accounts have not been audited because the company is entitled to the exemption provided by s249A(1) Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2) Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with s221 Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with s226 Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 23 May 2006 and we confirm that we have made available all relevant records and information for their preparation.

Signed on behalf of the Board of Directors



B G Ford
Director

STATEMENT OF ACCOUNTING POLICIES

31 December 2005

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

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable United Kingdom accounting standards.

Tangible fixed assets

Freehold properties comprise investment properties. Investment properties are included in the balance sheet at open market valuation. In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to an investment revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

On other assets depreciation is provided on the cost of the assets over their estimated lives. The rates of depreciation are as follows:

Motor vehicles	-	25% reducing balance
Fixtures, fittings and equipment	-	25% reducing balance

Taxation

Current tax, including UK corporation 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of value added tax. Rental income is recognised in the financial statements on the date it is contractually due.

NOTES TO THE ACCOUNTS

31 December 2005

1. TURNOVER

All turnover is derived from activities undertaken in the United Kingdom.

2. STAFF COSTS

	2005 No.	2004 No.
The average monthly number of employees (including executive directors) was:		
Administration	4	4
Their aggregate remuneration comprised	£	£
Wages and salaries	12,056	14,926
Social security costs	216	848
	12,272	15,774

3. DIRECTORS' REMUNERATION, INTERESTS AND TRANSACTIONS

	2005 £	2004 £
Directors' remuneration		
Emoluments (excluding pension contributions)	12,030	11,773

Directors' interests

Details of directors' interests in the shares of the company are provided in the directors' report on page 2.

Directors' transactions

The transactions that have taken place are as detailed in note 14.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Bank overdraft and charges	252	243

NOTES TO THE ACCOUNTS

31 December 2005

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005 £	2004 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation – owned assets	1,520	2,026
Management charges receivable	(1,384)	(24,233)
	<u>1,520</u>	<u>(24,233)</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £	2004 £
The tax charge/(credit) comprises:		
Current tax:		
UK corporation tax	49	-
Deferred tax:		
Origination and reversal of timing differences	360	(577)
Total tax on profit on ordinary activities	<u>409</u>	<u>(577)</u>

The differences between the total current tax shown above and the amount calculated by applying the small company's rate of UK corporation tax to the profit before tax (2004 – standard rate of UK corporation tax) is as follows:

	2005 £	2004 £
Profit on ordinary activities before tax	10,801	6,640
Standard rate of tax	19.0%	19.0%
Factors affecting credit/charge for the year:		
Expenses not deductible for tax purposes	0.9%	0.6%
Non taxable items	-	-
Small companies starting rate relief	(17.5%)	(25.4)%
Capital allowances in excess of depreciation	(1.9%)	5.8%
	<u>0.5%</u>	<u>0.0%</u>

NOTES TO THE ACCOUNTS 31 December 2005

7. TANGIBLE FIXED ASSETS

	Investment properties freehold land and buildings £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 January 2005 and 31 December 2005	800,000	7,250	24,078	831,328
Accumulated depreciation				
At 1 January 2005	-	6,508	18,740	25,248
Charge for the year	-	186	1,334	1,520
At 31 December 2005	-	6,694	20,074	26,768
Net book value				
At 31 December 2005	800,000	556	4,004	804,560
At 31 December 2004	800,000	742	5,338	806,080
Comparable amounts determined according to the historical cost convention				
Cost	248,895	7,250	24,078	280,223
Accumulated depreciation	-	6,694	20,074	26,768
Net book value				
At 31 December 2005	248,895	556	4,004	253,455
At 31 December 2004	248,895	742	5,338	254,975

Investment properties are held at valuation. All such assets were valued on an open market value basis at 31 December 2004 by Cowling & West, Chartered Surveyors and the directors believe there has been no material change in the year.

8. DEBTORS

	2005 £	2004 £
Trade debtors	106	802
Other debtors	1,141,714	1,133,081
Deferred tax asset (see note 10)	1,079	1,439
Prepayments and accrued income	17,938	17,235
	<u>1,160,837</u>	<u>1,152,557</u>

All amounts are due within one year.

NOTES TO THE ACCOUNTS
31 December 2005

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Corporation tax	49	-
Other creditors	5,710	6,250
Accruals and deferred income	38,639	56,004
	<u>44,398</u>	<u>62,254</u>

10. DEFERRED TAXATION

	Balance at 1 January 2005 £	Credited to profit and loss account £	Balance at 31 December 2005 £
Deferred taxation – asset	<u>(1,439)</u>	<u>360</u>	<u>(1,079)</u>

£1,079 (2004: £1,439) has been included as a deferred tax asset under note 8. The amounts of deferred taxation provided in the accounts are:

	2005 £	2004 £
Depreciation in excess of capital allowances	<u>(1,079)</u>	<u>(1,439)</u>

The company's freehold investment property is revalued from time to time in accordance with SSAP 19. No deferred tax has been provided on the gains arising from revaluations as such tax would only become payable if a property were sold without rollover relief being obtained and no binding sale agreement had been entered into at the balance sheet date. The estimated tax which would be payable in such circumstances is £151,358 at 31 December 2005 (2004: £151,358).

11. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
30,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Called up, allotted and fully paid:		
24,244 ordinary shares of £1 each	<u>24,244</u>	<u>24,244</u>

NOTES TO THE ACCOUNTS

31 December 2005

12. RESERVES

	Investment revaluation reserve £	Profit and loss account £
Balance at 1 January 2005	551,105	1,490,980
Profit for the year	-	10,392
Balance at 31 December 2005	551,105	1,501,372

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	10,392	7,217
Other recognised gains and losses relating to the year (net)	-	440,000
Net addition shareholders' funds	10,392	447,217
Opening shareholders' funds	2,066,329	1,619,112
Closing shareholders' funds	2,076,721	2,066,329

14. RELATED PARTY TRANSACTIONS

No shareholder has more than 50% of the issued share capital of the company and so there is no controlling party.

Included within legal and professional fees are amounts paid to B G Ford, director of the company, for business consultancy advice of £2,969 (2004 : £3,086) and amounts paid to D L Jenkin, company secretary of the company, for bookkeeping and accountancy services of £9,378 (2004 : £9,559).

15. POST BALANCE SHEET EVENTS

Changes to the shareholdings of the company occurred after the balance sheet date. The changes had no effect on the issued share capital of the company. However the overall controlling party after the change is Maitland Holdings Limited who now own 70% of the issued share capital, whereas there was no controlling party previously