

COMPANY REGISTRATION NUMBER 01975591

**COUNTRY ESTATES DEVELOPMENTS LIMITED
FINANCIAL STATEMENTS**

30 NOVEMBER 2006

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17/08/2007

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COMPANIES HOUSE

HW, CHARTERED ACCOUNTANTS

Chartered Accountants & Registered Auditors

7 - 11 Station Road

Reading

Berkshire

RG1 1LG



COUNTRY ESTATES DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

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COUNTRY ESTATES DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2006

The directors present their report and the financial statements of the company for the year ended 30 November 2006

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the development and sale of industrial units and estate management

DIRECTORS

The directors who served the company during the year were as follows

Mr W F Phelps

Mr G P Smith

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

DIRECTORS' RESPONSIBILITIES

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). 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,
- 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 that 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

A resolution to re-appoint HW, Chartered Accountants as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

COUNTRY ESTATES DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

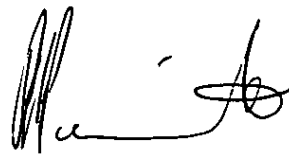
YEAR ENDED 30 NOVEMBER 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
Kingfisher House
Albury Close
Loverock Road
Reading
Berkshire
RG30 1BD

Signed by order of the directors



MRS P A PENNICOTT
Company Secretary

Approved by the directors on *24.7.2007*

COUNTRY ESTATES DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COUNTRY ESTATES DEVELOPMENTS LIMITED

YEAR ENDED 30 NOVEMBER 2006

We have audited the financial statements of Country Estates Developments Limited for the year ended 30 November 2006 on pages 5 to 9, which have been prepared on the basis of the accounting policies set out on page 7

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditor's 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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).

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 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 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 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.

COUNTRY ESTATES DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COUNTRY ESTATES DEVELOPMENTS LIMITED *(continued)*

YEAR ENDED 30 NOVEMBER 2006

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 30 November 2006 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 Directors' Report is consistent with the financial statements

7 - 11 Station Road
Reading
Berkshire
RG1 1LG

10 August 2007

HW, Chartered Accountant

HW, CHARTERED ACCOUNTANTS
Chartered Accountants
& Registered Auditors

COUNTRY ESTATES DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2006

	Note	2006 £	2005 £
TURNOVER		2,185,000	—
Cost of sales		<u>1,734,066</u>	<u>138,940</u>
GROSS PROFIT/(LOSS)		450,934	(138,940)
Distribution costs		—	3,478
Administrative expenses		160,130	23,152
Other operating income	2	<u>(75,906)</u>	<u>(66,563)</u>
OPERATING PROFIT/(LOSS)	3	366,710	(99,007)
Interest receivable		6,821	—
Interest payable and similar charges		<u>(2,140)</u>	<u>(1,840)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		371,391	(100,847)
Tax on profit/(loss) on ordinary activities	4	<u>24,782</u>	<u>(41,926)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		346,609	(58,921)
Balance brought forward		<u>(416,147)</u>	<u>(357,226)</u>
Balance carried forward		<u>(69,538)</u>	<u>(416,147)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 9 form part of these financial statements

COUNTRY ESTATES DEVELOPMENTS LIMITED

BALANCE SHEET

30 NOVEMBER 2006

	Note	2006 £	2005 £
CURRENT ASSETS			
Stocks		1,453,049	2,926,054
Debtors	5	184,857	206,099
Cash at bank		1,189,717	5,831
		<u>2,827,623</u>	<u>3,137,984</u>
CREDITORS: Amounts falling due within one year	6	<u>2,897,061</u>	<u>3,554,031</u>
NET CURRENT LIABILITIES		<u>(69,438)</u>	<u>(416,047)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(69,438)</u>	<u>(416,047)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	100	100
Profit and loss account		<u>(69,538)</u>	<u>(416,147)</u>
DEFICIT	10	<u>(69,438)</u>	<u>(416,047)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors on the 24.7.2007 and are signed on their behalf by



MR G P SMITH

The notes on pages 7 to 9 form part of these financial statements

COUNTRY ESTATES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for slow moving items

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. OTHER OPERATING INCOME

	2006 £	2005 £
Rent receivable	75,482	66,563
Other operating income	424	—
	<u>75,906</u>	<u>66,563</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2006 £	2005 £
Directors' emoluments	—	—
Auditor's fees	<u>1,500</u>	<u>850</u>

COUNTRY ESTATES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

4 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	20,858	-
Payments for group relief	3,924	(41,926)
Total current tax	<u>24,782</u>	<u>(41,926)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006 £	2005 £
Profit/(loss) on ordinary activities before taxation	<u>371,391</u>	<u>(100,847)</u>
Profit/(loss) on ordinary activities by rate of tax	111,417	(30,254)
Capital allowances in excess of depreciation	(9,202)	-
Marginal relief	(2,447)	-
Utilisation of tax losses	(79,832)	30,254
Group relief	3,924	(41,926)
Other permanent differences	922	-
Total current tax (note 4(a))	<u>24,782</u>	<u>(41,926)</u>

5. DEBTORS

	2006 £	2005 £
Trade debtors	5,792	5,483
Amounts owed by group undertakings	178,177	133,148
Corporation tax repayable	-	1,084
Other debtors	888	66,384
	<u>184,857</u>	<u>206,099</u>

6. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	2,621,802	3,483,161
Corporation tax	20,858	-
Other taxation	170,340	-
Other creditors	84,061	70,870
	<u>2,897,061</u>	<u>3,554,031</u>

COUNTRY ESTATES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2006

7. CONTINGENCIES

The company has a contingent liability of £ nil at 30 November 2006 (2005 £200,489) relating to guarantees over the value of the overdrafts and loan accounts of the parent company and fellow subsidiary companies. In view of the value of the securities held in those companies by the lenders, the directors do not anticipate any part of the contingent liability crystallising.

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Country Estates Holdings plc.

9. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2006	2005
	£	£
Profit/(Loss) for the financial year	346,609	(58,921)
Opening shareholder's deficit	<u>(416,047)</u>	<u>(357,126)</u>
Closing shareholder's deficit	<u>(69,438)</u>	<u>(416,047)</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent holding company is Country Estates Holdings plc, a company registered in England.

Pam Technical Services Limited is the parent of the smallest group of which the company is a member.

The company is controlled by G P Smith and W F Phelps by virtue of their shareholdings in the ultimate holding company.

Copies of the consolidated financial statements of Country Estates Holdings plc are available from Companies House.