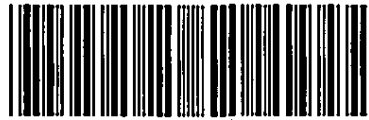


Denwis Limited

Directors' report and unaudited financial statements

for the year ended 31 December 2006

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Denwis Limited

Company information

Directors	O J Oyston V Oyston K S Oyston
Secretary	R Conlon
Company number	2006753
Registered office	Blackpool Football Club Seasiders Way Blackpool FY1 6JJ
Accountants	A I Cherry Limited 26 Winckley Square Preston Lancashire PR1 3JJ
Bankers	HSBC Bank Plc Oxford Square 1 Newhouse Road Blackpool FY4 4YH

Denwis Limited

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Denwis Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activity

The principal activity of the company is the conversion, letting and management of textile mills

Directors and their interests

The directors who served during the year and their interests in the company are as stated below

	Class of share	31/12/06	01/01/06
O J Oyston	Ordinary shares	-	2
V Oyston	Ordinary shares	-	-
K S Oyston	Ordinary shares	-	-

Mr O J Oyston is a director and majority shareholder of the parent undertaking Protoplan Limited

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

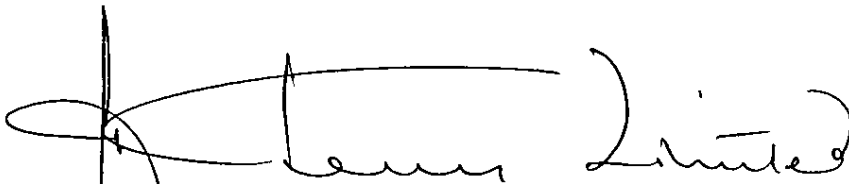
This report was approved by the Board on 31 October 2007 and signed on its behalf by

R Conlon
Secretary

Denwis Limited

**Accountants' report on the unaudited financial statements to the directors of
Denwis Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2006 set out on pages 3 to 13 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



A I Cherry Limited
Chartered Accountants
26 Winckley Square
Preston
Lancashire
PR1 3JJ

Date: 6/11/07

Denwis Limited

**Profit and loss account
for the year ended 31 December 2006**

		2006	2005
	Notes	£	£
Turnover	2	259,260	237,564
Administrative expenses		(165,922)	(200,747)
Operating profit	3	<u>93,338</u>	<u>36,817</u>
Other interest receivable and similar income		973	1,856
Interest payable and similar charges		<u>(26,930)</u>	<u>(54,820)</u>
Profit/(loss) on ordinary activities before taxation		67,381	(16,147)
Tax on profit/(loss) on ordinary activities 4		<u>(160)</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		<u>67,221</u>	<u>(16,147)</u>
Retained profit/(loss) for the year	11	<u>67,221</u>	<u>(16,147)</u>
		<u><u> </u></u>	<u><u> </u></u>

The notes on pages 6 to 13 form an integral part of these financial statements.

Denwis Limited

**Balance sheet
as at 31 December 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		1,301,242		1,302,938
Current assets					
Debtors	7	121,971		88,230	
Cash at bank and in hand		23,740		27,259	
		<u>145,711</u>		<u>115,489</u>	
Creditors: amounts falling due within one year	8	<u>(985,663)</u>		<u>(524,985)</u>	
Net current liabilities			<u>(839,952)</u>		<u>(409,496)</u>
Total assets less current liabilities			461,290		893,442
Creditors: amounts falling due after more than one year	9		<u>(365,627)</u>		<u>(865,000)</u>
Net assets			<u>95,663</u>		<u>28,442</u>
Capital and reserves					
Called up share capital	10		2		2
Revaluation reserve	11		899,191		899,191
Profit and loss account	11		<u>(803,530)</u>		<u>(870,751)</u>
Shareholders' funds			<u>95,663</u>		<u>28,442</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet

The notes on pages 6 to 13 form an integral part of these financial statements.

Denwis Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2006**

In approving these financial statements as directors of the company we hereby confirm

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ,

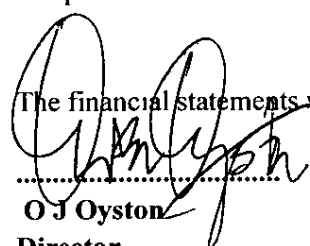
(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2006 and

(c) that we acknowledge our responsibilities for

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies


The financial statements were approved by the Board on 31 October 2007 and signed on its behalf by
.....
O J Oyston
Director

The notes on pages 6 to 13 form an integral part of these financial statements.

Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Land and buildings	- Nil
Plant and machinery	- 33 3% straight line
Fixtures, fittings and equipment	- 10% straight line
Motor vehicles	- 25% straight line

In accordance with Statement of Standard Accounting Practice no 19, Accounting for Investment Properties, and the Financial Reporting Standard for Smaller Entities (effective January 2005), the land and building is held at market value. The directors are of the opinion that the property is appropriately valued in the financial statements, and that the financial statements would not give a true and fair view were the asset to be depreciated. The application of these standards is a departure from the statutory requirement to depreciate assets with a finite useful economic life.

Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

1.4. Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.5. Going concern

The accounts are prepared on the going concern basis. The directors have obtained loans from related parties, as detailed in notes 7 and 8 to these accounts. In the opinion of the directors, the finance will be sufficient to ensure that the company can continue trading for the foreseeable future. As such, the directors consider it appropriate to prepare these financial statements on the going concern basis.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

None of the company's turnover is attributable to geographical markets outside the UK.

3. Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	2,580	7,836

Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

4. Tax on profit/(loss) on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax	160	-

5. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/revaluation					
At 1 January 2006	1,300,000	19,443	43,397	1,711	1,364,551
Additions	-	884	-	-	884
At 31 December 2006	1,300,000	20,327	43,397	1,711	1,365,435
Depreciation					
At 1 January 2006	-	18,343	41,559	1,711	61,613
Charge for the year	-	807	1,773	-	2,580
At 31 December 2006	-	19,150	43,332	1,711	64,193
Net book values					
At 31 December 2006	1,300,000	1,177	65	-	1,301,242
At 31 December 2005	1,300,000	1,100	1,838	-	1,302,938

On 20 September 2003, the land and buildings were revalued by Messrs Maurice Vandome & Associates Chartered Surveyors. In the opinion of the directors the valuation given was the carrying value of the property at 31 December 2006.

The historic cost of the land and buildings held at market value is £400,809.

Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

6. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2006	100	100
At 31 December 2006	100	100
	<hr/>	<hr/>
Provisions for diminution in value:		
At 1 January 2006	100	100
At 31 December 2006	100	100
	<hr/>	<hr/>
Net book values		
At 31 December 2006	-	-
At 31 December 2005	-	-

6.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

Company Subsidiary Undertaking	Country of registration or incorporation	Nature of business	Shares held class
Oyston Industrial Investments Ltd	England and Wales	Dormant	Ordinary Shares £1 100%

The investment of £100 relates to the company's investment in its subsidiary, Oyston Industrial Investments Limited. The company was dormant throughout the year ended 31 December 2006. The company has a deficit on capital and reserves at 31 December 2006 amounting to £327,444 (31 Dec 2005 £327,444).

As permitted by section 248 on the Companies Act 1985, the accounts of this subsidiary company have not been consolidated, as the group qualifies for exemption as a small group under the above act.

Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

7. Debtors	2006	2005
	£	£
Trade debtors	118,922	86,326
Other debtors	3,049	1,904
	<u>121,971</u>	<u>88,230</u>

Included in trade debtors are the following amounts due from connected parties. The companies were invoiced at arms length in the course of the company's normal trading activities. The amounts are interest free and unsecured.

	31/12/06	31/12/05
	£	£
The Blackpool Football Club Limited	554	-
Oyston Estates Limited	682	-
Natfarm Limited	-	635
Oyston Steel Estates Limited	6	-
Oystons Limited	303	15,760
Protoplan Limited	2,617	682
Ridings Publishing Company Limited	1,689	1,578

The director, Mr O J Oyston, is a director and majority shareholder of Natfarm Limited, Protoplan Limited and Oyston Estates Limited. Mr O J Oyston is also a majority shareholder of Oystons Limited, Ridings Publishing Company Limited and Oystons Steel Estates Limited.

Protoplan Limited is the parent undertaking of Denwis Limited.

Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

8. Creditors: amounts falling due within one year	2006 £	2005 £
Bank overdraft	15,445	-
Long term loan	17,900	-
Payments received on account	20,703	19,657
Trade creditors	64,829	96,707
Amounts owed to group undertaking	31,014	31,014
Corporation tax	160	-
Other taxes and social security costs	33,167	41,087
Directors' accounts	795,197	333,875
Other creditors	23	145
Accruals and deferred income	7,225	2,500
	<u>985,663</u>	<u>524,985</u>

The bank loan is secured by way of a legal charge over the land and buildings, by the HSBC Bank plc dated 26 October 2000, and a debenture dated 9 December 1998 (see note 8). At 31 December 2006 HSBC Bank plc held the benefit of an unlimited multilateral company guarantee dated 28 April 2000 between Denwis Limited, Classlodge Limited, Claughton Hall (Bisons) Limited, Natfarm Limited, Archant Life (North) plc and Oyston Estates Limited.

Director's accounts include £48,545 (31 December 2005 £77,223) owed to the director Mr O J Oyston and £256,652 (31 December 2005 £256,652) owed to Zabaxe Limited, a company owned and controlled by the director Mr O J Oyston. The loans are free of interest, unsecured and repayable on demand. The maximum balances due to Mr Oyston and Zabaxe Limited were £77,223 and £256,652 respectively.

Also included in director's account is £490,000 (31 December 2005 Nil) owed to Protoplan Limited, a company owned and controlled by Mr O J Oyston. Protoplan is also the parent undertaking of Denwis Limited. The loan is interest free, unsecured and repayable on demand. The maximum balance owed to Protoplan Limited was £490,000.

Included in trade creditors are the following amounts due to connected parties. The company made purchases on an arms length basis in the course of its normal trading activities. The amounts are interest free and unsecured.

	31/12/06 £	31/12/05 £
Oystons Estates Limited	-	5
The Blackpool Football Club Limited	3,306	823
Protoplan Limited	284	-

Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

9. Creditors: amounts falling due after more than one year	2006 £	2005 £
Long term loan/ Mortgage	<u>365,627</u>	<u>865,000</u>

The long term bank loan is secured by way of a legal charge over the land and buildings by HSBC Bank plc dated 26 October 2000, and a debenture dated 9 December 1998. At 31 December 2006 HSBC Bank plc held the benefit of an unlimited multilateral company guarantee dated 28 April 2000 between Denwis Limited, Classlodge Limited, Claughton Hall (Bisons) Limited, Natfarm Limited, Archant Life (North) plc and Oyston Estates Limited.

The repayment terms of the loan are interest payments for the first year and then capital and interest payments over fourteen years. Interest is chargeable at 1.75% above base rate.

10. Share capital	2006 £	2005 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
Equity Shares		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2006	899,191	(870,751)	28,440
Retained profit/(loss) for the year		67,221	67,221
At 31 December 2006	<u>899,191</u>	<u>(803,530)</u>	<u>95,661</u>



Denwis Limited

**Notes to the financial statements
for the year ended 31 December 2006**

continued

12. Related party transactions

During the period the company traded and was charged for services by the following companies. The companies were owned and controlled by Mr O J Oyston throughout the period.

	31/12/2006
	£
The Blackpool Football Club Limited	20,300
The following income was charged by the company to the following related parties	
The Blackpool Football Club Limited	689
Oystons Estates Limited	16,730
Oystons Steel Estates Limited	1,062
Oystons Limited	129,552
Protoplan Limited	22,696
Ridings Publishing Company Limited	266,684

13. Ultimate parent undertaking

The company became a subsidiary of Protoplan Limited, a company incorporated in England and Wales, which holds 100% of the issued share capital of the company at 31 December 2006. Protoplan Limited is controlled by the director and majority shareholder Mr O J Oyston.