

Villa Owners Club Limited

Report and Unaudited Financial Statements

Year Ended

31 March 2006



VILLA OWNERS CLUB LIMITED

Annual report and unaudited financial statements for the year ended 31 March 2006

Contents

Page:

1	Report of the directors
2	Balance sheet
3	Notes to the unaudited financial statements

Directors

RG Boyce (Chairman)
GD Baber

Secretary and registered office

GD Baber, The Old Stables, 29 Rous Road, Newmarket, Suffolk, CB8 8DH

Company number

2884979

VILLA OWNERS CLUB LIMITED

Report of the directors for the year ended 31 March 2006

Financial statements

The directors present their report and unaudited financial statements for the year ended 31 March 2006.

Principal activity, review of the business, results and future developments

The company's principal activity is to act as a joint venture vehicle for development projects.

In view of the nature of the company's business, all income and costs of the company are transferred to the joint venture parties in their due proportions. As a result, the financial statements show no income or expenses, profits or losses nor assets and liabilities relating to the joint venture. Therefore, no profit and loss account is included within these financial statements and the balance sheet merely reflects the company's share capital.

The company's activities are likely to remain unchanged for the foreseeable future.

Directors

The directors during the year were as follows:

RG Boyce
GD Baber

Directors' interests in shares

The directors who held office at 31 March 2006 had the following beneficial interests in the shares of the company at the beginning and end of the year:

	£1 Ordinary shares	
	2006	2005
RG Boyce	-	-
GD Baber	-	-

On behalf of the Board



RG Boyce
Director

VILLA OWNERS CLUB LIMITED

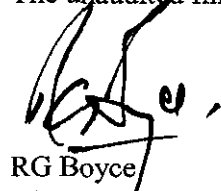
Balance sheet at 31 March 2006

	Note	2006 £	2005 £
Current assets			
Cash in hand		3	3
Net assets		<u>3</u>	<u>3</u>
Capital and reserves			
Called up share capital	2	3	3
Profit and loss account		-	-
Shareholder's funds – equity interests		<u>3</u>	<u>3</u>

The directors have taken advantage of the exemption conferred by Section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2006 and of its results for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The unaudited financial statements were approved by the Board on



RG Boyce
Director

The notes on pages 3 and 4 form part of these unaudited financial statements.

VILLA OWNERS CLUB LIMITED

Notes to the unaudited financial statements for the year ended 31 March 2006

1 Accounting policies

The unaudited financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Joint venture for property development projects

The company is a joint venture vehicle for property development projects. Under the joint venture agreement the proportion of contract costs, revenues, assets and liabilities that are directly attributable to the joint venture parties are transferred to them and therefore are not shown in the company's financial statements.

Profit and loss account

As a direct result of the above joint venture arrangements, the company has no costs or revenues of its own and therefore no profit and loss account is included within these financial statements.

2 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2006 Number	2005 Number	2006 £	2005 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>3</u>	<u>3</u>

VILLA OWNERS CLUB LIMITED

Notes forming part of the unaudited financial statements for the year ended 31 March 2006 (*Continued*)

3 Related party transactions

(i) *Related party transactions and balances*

During the year, the company acted as a joint venture vehicle for property development projects undertaken by Lodgeday Commercial Limited, Baber Investments Limited and an unrelated third party.

Transactions and balances recharged to related parties under the joint venture can be summarised as follows:

	Lodgeday Commercial Limited		Baber Investments Limited	
	2006	2005	2006	2005
	£	£	£	£
Sales	196	121,775	-	77,132
Costs	(32,687)	49,013	-	46,939

(ii) *Nature of relationships*

The above companies are related to Villa Owners Club Limited as follows:

RG Boyce was a director and had interests in relation to the shares of Lodgeday Commercial Limited throughout the year.

GD Baber was a director and had interests in relation to the shares of Baber Investments Limited throughout the year.

4 Ultimate parent company and controlling party

The company is a wholly owned subsidiary of Lodgeday Commercial Limited, a company incorporated in England and Wales, whose financial statements may be obtained from Companies House in Cardiff.

Throughout the year, and the previous year, RG Boyce was the company's ultimate controlling party, by virtue of his controlling influence over Lodgeday Commercial Limited.