

Registered

ADDISON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

31 MARCH 2005



ADDISON DEVELOPMENTS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2005**

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COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2005

Auditors Saffery Champness
1 St Stephens Court
St Stephens Road
Bournemouth
Dorset
BH2 6LA

ADDISON DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors submit their report and the audited financial statements for Addison Developments Limited for the year ended 31 March 2005.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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.

Principal activities

During the year the principal activities of the company were that of an investment company and property development company.

Results and review of the business

During the year the company completed the development of one site, which is being marketed for sale, and included in Stocks at the year end, but until a buyer has been found the property is being let.

The net profit for the year, after taxation, was £577,999 (2004 : £607,509) which is taken to reserves. The directors do not recommend the payment of a dividend.

Directors and their interests

The directors who have held office throughout the year ended 31 March 2005 are as follows:

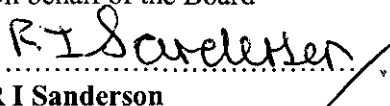
The Hon Mrs Townshend DL
Sir Simon Hornby (resigned 31. December 2004)
J R Townshend
G A Dobson
R I Sanderson

The Hon Mrs Townshend DL and J R Townshend are Trustees of the Settlement which owns all of the issued share capital of the company. Sir Simon Hornby was a director of Ilchester Trustee Company Limited, which is the third Trustee. No other director has any interest in the share capital of the company.

Auditors

The auditors, Saffery Champness, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

On behalf of the Board


.....
R I Sanderson

Secretary

19 September 2005

ADDISON DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2005

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 mis-statement, 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 of the state of affairs of the company as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness

19 September 2005

Chartered Accountants
Registered Auditors

1 St Stephens Court
St Stephens Road
Bournemouth
BH2 6LA

ADDISON DEVELOPMENTS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	2005 £	2004 £
Turnover	1	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(17,588)	(14,830)
Operating loss		(17,588)	(14,830)
Provision for increase in value of quoted investments		600,685	587,108
Other interest receivable and similar income	2	5,655	40,016
Profit on ordinary activities before taxation	3	588,752	612,294
Taxation	4	(10,753)	(4,785)
Retained profit for the year	10	577,999	607,509

The company's expenses all relate to continuing operations.

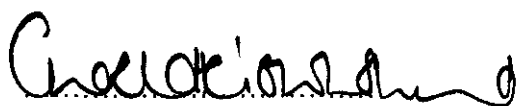
There were no recognised gains or losses during the year other than those included in the profit and loss account.

The notes and accounting policies on pages 6 to 10 form part of these financial statements.

ADDISON DEVELOPMENTS LIMITED**BALANCE SHEET
AS AT 31 MARCH 2005**

	Notes	2005 £	£	2004 £	£
Fixed assets					
Quoted investments	5		7,854,980		7,254,295
Current assets					
Stock and work in progress	6	354,723		229,159	
Debtors	7	2,400		7,695	
Cash at bank and in hand		430		150,124	
			357,553		386,978
Creditors: Amounts falling due within one year	8	(8,371)		(15,110)	
Net current assets			349,182		371,868
Net assets			8,204,162		7,626,163
Capital reserves					
Called up share capital	9	7,000,000		7,000,000	
Profit and loss account	10	1,204,162		626,163	
Shareholders' funds	11		8,204,162		7,626,163

The financial statements were approved by the Board on 19 September 2005 and signed on its behalf by:



The Hon Mrs Townshend DL
Director

The notes and accounting policies on pages 6 to 10 form part of these financial statements.

ADDISON DEVELOPMENTS LIMITED

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2005

A Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, as modified by the revaluation of quoted investments.

B Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers. Turnover on long term contracts is recognised in accordance with the value of work carried out to date.

C Quoted investments

Quoted investments are stated at market value.

D Group accounts

The company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

E Stocks and work in progress

Work in progress is valued at the lower of cost and net realisable value.

F 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 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 taxable profits and 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 when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis 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.

ADDISON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005****1 Turnover**

Turnover arises in respect of the development activity as described on page 2. The company operates within the UK and the whole of its turnover is to the UK market.

2 Interest receivable and similar income

	2005	2004
	£	£
Interest receivable	3,255	8,927
Rent receivable	2,400	-
Other income	-	31,089
	<u>5,655</u>	<u>40,016</u>

3 Profit on ordinary activities before taxation

	2005	2004
	£	£
The profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	<u>1,000</u>	<u>1,000</u>

The directors received no remuneration from the company during the year (2004: nil).

The company employs no staff, but a management charge is incurred for the services of certain directors and staff employed by Ilchester Estates, a related company, of £7,787 (2004 : £10,266).

4 Taxation

	2005	2004
	£	£
Domestic current year tax		
UK Corporation tax - credit	(2,267)	4,785
Adjustment for prior years	13,020	-
Current tax charge	<u>10,753</u>	<u>4,785</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>588,752</u>	<u>612,294</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2004 : 19%)	<u>111,863</u>	<u>116,336</u>
Effects of:		
Increase in value of quoted investments - unrealised	(114,130)	(111,551)
Tax losses	-	-
Adjustments to previous periods	13,020	-
	<u>(101,110)</u>	<u>(111,551)</u>
	<u>(2,267)</u>	<u>4,785</u>

ADDISON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005****5 Quoted investments**

Cost	£
At 1 April 2004 and at 31 March 2005	9,500,000
Provision for diminution in value	
At 1 April 2004	(2,245,705)
Release of provision for earlier years	600,685
At 31 March 2005	(1,645,020)
Net book values	
At 31 March 2005	7,854,980
At 31 March 2004	7,254,295

Undertaking	Shares held	Proportion held	Net assets at 31.5.05 £	Total returns for the year ended 31.5.05 £
Aquarius Fund	Accumulation shares	80.77%	10,115,523	1,167,335

The principal activity of Aquarius Fund is that of an Open Ended Investment Company incorporated under the OEIC Regulations and authorised by the FSA.

At 31 March 2005 the investment comprised 950,000 units with an aggregate market value of £7,854,980 (2004: £7,254,295).

A tax loss would arise if the investments were disposed of at the above valuation.

6 Stock and work in progress

	2005 £	2004 £
Stock and development work in progress	354,723	229,159

7 Debtors

	2005 £	2004 £
Corporation tax	2,267	-
Other debtors and prepayments	133	7,695
	2,400	7,695

ADDISON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005**

8 Creditors	2005	2004
	£	£
Amounts falling due within one year:		
Trade creditors	1,087	1,471
Corporation tax	-	5,361
Other creditors	5,826	7,278
Accruals	1,458	1,000
	<u>8,371</u>	<u>15,110</u>
 9 Share capital	 2005	 2004
	£	£
Authorised:		
10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid:		
7,000,000 ordinary shares of £1 each	<u>7,000,000</u>	<u>7,000,000</u>
 10 Profit and loss account	 2005	 2004
	£	£
At 1 April 2004	626,163	18,654
Retained profit for the year	577,999	607,509
	<u>1,204,162</u>	<u>626,163</u>
At 31 March 2005		
 11 Reconciliation of movements on shareholders' funds	 2005	 2004
	£	£
Retained profit for the year	577,999	607,509
Opening shareholders' funds	7,626,163	7,018,654
	<u>8,204,162</u>	<u>7,626,163</u>
Closing shareholders' funds		

12 Contingent liabilities

The company has a contractual liability for a period of six years, commencing May 2001, to rectify any defects arising on the residential development at Bow Lane. No claims had been notified to the company by the balance sheet date.

13 Capital commitments

The company had no capital commitments at the year end (2004: nil).

ADDISON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2005

14 Related party transactions

The company is ultimately controlled by the Trustees of Ilchester Estates (2) Disentailed Estate by virtue of their 100% share ownership.

The company had the following related party with whom transactions were undertaken during the year:

Ilchester Estates - A company whose shares are owned by the same Trustees as the company's ultimate controlling party.

During the year the following transactions took place:

	2005	2004
	£	£
Management charges made from Ilchester Estates	7,787	10,266
Construction services provided by Ilchester Estates	125,315	16,162
Related party balances at 31 March 2005 were as follows:		
Creditor balances	5,826	6,135

ADDISON DEVELOPMENTS LIMITED

**TRADING PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005**

	2005		2004	
	£	£	£	£
Turnover				
Less: Cost of sales				
Opening stocks and work in progress	229,159	-	-	-
Purchase of development sites	-	203,738	203,738	-
Direct costs	250	9,078	9,078	-
Construction services	125,314	16,343	16,343	-
	<u>354,723</u>	<u>229,159</u>	<u>229,159</u>	<u>-</u>
Less: closing stocks and work in progress	<u>(354,723)</u>	<u>(229,159)</u>	<u>(229,159)</u>	<u>-</u>
		-	-	-
Gross profit		-	-	-
Add: other income				
Interest received and similar income	3,255	40,016	40,016	-
Rental income	2,400	-	-	-
Provision for increase in value of quoted investments	600,685	587,108	587,108	-
	<u>606,340</u>	<u>627,124</u>	<u>627,124</u>	<u>-</u>
Less: Operating expenses				
Property costs and maintenance	364	351	351	-
Administrative expenses	8,368	10,787	10,787	-
Professional fees	5,142	3,665	3,665	-
Bank interest and charges	27	27	27	-
Interest on overdue taxation	3,687	-	-	-
	<u>(17,588)</u>	<u>(14,830)</u>	<u>(14,830)</u>	<u>-</u>
Net profit for the year	<u>588,752</u>	<u>612,294</u>	<u>612,294</u>	<u>-</u>

This page does not form part of the financial statements on which the auditors have reported.