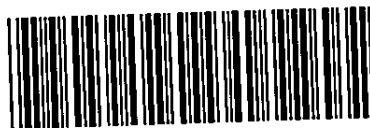


THE BLACK ANT COMPANY LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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COMPANIES HOUSE

THE BLACK ANT COMPANY LIMITED

COMPANY INFORMATION

DIRECTOR	A J Thomas
COMPANY SECRETARY	M Alderman
COMPANY NUMBER	03400474
REGISTERED OFFICE	Valmar House 2 Valmar Works Camberwell SE5 9NW
AUDITORS	FW Stephens Chartered Accountants and Registered Auditors Third Floor 24 Chiswell Street London EC1Y 4YX
BANKERS	National Westminster Bank plc 6 Coldharbour Lane Hayes Middlesex UB3 3EL

THE BLACK ANT COMPANY LIMITED

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THE BLACK ANT COMPANY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The director presents his report and the financial statements for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The principle activity of the company is that of a property development company.

DIRECTOR

The director who served during the year was:

A J Thomas

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

CHARITABLE DONATIONS

During the period the company made Charitable donations of £11,000 (2005: £17,210).

STATEMENT OF DISCLOSURE TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

THE BLACK ANT COMPANY LIMITED

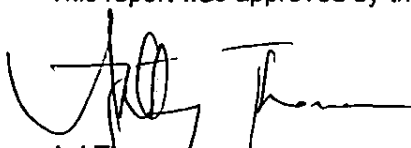
**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

AUDITORS

The auditors, FW Stephens, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report of the director has been 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 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'A J Thomas', is written over a large, stylized, and somewhat illegible stamp or watermark.

**A J Thomas
Director**

Date: 28 January 2009

THE BLACK ANT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BLACK ANT COMPANY LIMITED

We have audited the financial statements of The Black Ant Company Limited for the year ended 31 December 2007, set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

The director's 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 director's 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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 judgments made by the director 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.

THE BLACK ANT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BLACK ANT COMPANY LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its loss 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 Director's report is consistent with the financial statements.

FW Stephens

FW STEPHENS

Chartered Accountants and Registered Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX

28 January 2009

THE BLACK ANT COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
TURNOVER	1	7,452,242	1,563,648
Cost of sales		<u>(7,650,373)</u>	<u>(1,345,215)</u>
GROSS (LOSS)/PROFIT		(198,131)	218,433
Administrative expenses		(2,187,632)	(1,576,622)
Other operating income		<u>384,812</u>	<u>154,552</u>
OPERATING LOSS	2	(2,000,951)	(1,203,637)
EXCEPTIONAL ITEMS			
Other exceptional items	5	<u>150,072</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(1,850,879)	(1,203,637)
Interest receivable	4	8,171	2,876
Interest payable		<u>(4,553)</u>	<u>(64,203)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,847,261)	(1,264,964)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	13	<u>(1,847,261)</u>	<u>(1,264,964)</u>

The notes on pages 8 to 13 form part of these financial statements.

THE BLACK ANT COMPANY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	£	£
LOSS FOR THE FINANCIAL YEAR	(1,847,261)	(1,264,964)
Unrealised surplus on revaluation of investment properties	<u>1,800,000</u>	<u>1,300,430</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>(47,261)</u></u>	<u><u>35,466</u></u>

The notes on pages 8 to 13 form part of these financial statements.

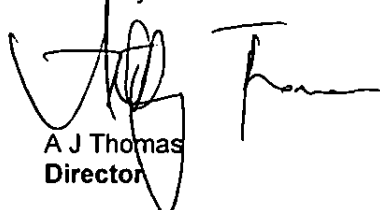
THE BLACK ANT COMPANY LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	6		6,199		1,450
Investment property	7		8,017,916		2,016,392
			<u>8,024,115</u>		<u>2,017,842</u>
CURRENT ASSETS					
Stocks	8	27,865,083		17,397,816	
Debtors	9	3,544,822		3,080,435	
Cash at bank and in hand		677,645		525,825	
		<u>32,087,550</u>		<u>21,004,076</u>	
CREDITORS: amounts falling due within one year	10	(7,042,978)		(4,648,032)	
NET CURRENT ASSETS			<u>25,044,572</u>		<u>16,356,044</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>33,068,687</u>		<u>18,373,886</u>
CREDITORS: amounts falling due after more than one year	11		(32,453,719)		(17,711,657)
NET ASSETS			<u>614,968</u>		<u>662,229</u>
CAPITAL AND RESERVES					
Called up share capital	12		2		2
Investment property reserve	13		2,100,430		1,300,430
Profit and loss account	13		(1,485,464)		(638,203)
SHAREHOLDERS' FUNDS			<u>614,968</u>		<u>662,229</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


A J Thomas
Director

Date: 28 January 2009

The notes on pages 8 to 13 form part of these financial statements.

THE BLACK ANT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	N/A%
Plant & machinery	-	40% reducing balance

1.4 INVESTMENT PROPERTIES

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the director, necessary in order to give a true and fair view of the financial position of the company.

1.5 STOCK

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable accounting standards.

2. OPERATING LOSS

The operating loss is stated after charging:

	2007 £	2006 £
Depreciation of tangible fixed assets:		
- owned by the company	-	967
Auditors' remuneration	14,776	17,664
	<u>14,776</u>	<u>17,664</u>

THE BLACK ANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

3. DIRECTOR'S REMUNERATION

	2007 £	2006 £
Aggregate emoluments	-	20,960

4. INVESTMENT INCOME

	2007 £	2006 £
Bank interest receivable	8,171	2,876

5. EXCEPTIONAL ITEMS

	2007 £	2006 £
Write off of intercompany balances	150,072	-

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Total £
COST			
At 1 January 2007	-	2,816	2,816
Additions	240,000	4,749	244,749
Disposals	(240,000)	-	(240,000)
At 31 December 2007	-	7,565	7,565
DEPRECIATION			
At 1 January 2007 and 31 December 2007	-	1,366	1,366
NET BOOK VALUE			
At 31 December 2007	-	6,199	6,199
At 31 December 2006	-	1,450	1,450

THE BLACK ANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

7. INVESTMENT PROPERTY

	Long term leasehold £
COST AND VALUATION	
At 1 January 2007	2,016,392
Additions at cost	5,667,916
Disposals	(1,466,392)
Surplus/(deficit) on revaluation	1,800,000
At 31 December 2007	<u>8,017,916</u>

Professional valuations were performed by Stiles Harold Williams, qualified Chartered Surveyors, on an open market value for existing use basis, in October 2007 and Decemebr 2008.

REVALUATION RESERVES

At 1 January 2007	1,300,430
Net surplus in investment properties	800,000
At 31 December 2007	<u><u>2,100,430</u></u>

8. STOCKS

	2007 £	2006 £
Stocks	<u>27,865,083</u>	<u>17,397,816</u>

Included in stocks, as disclosed above, is £3,797,346 (2006: £782,818) relating to capitalised finance costs.

The director feels that the net realisable value of the properties owned is significantly higher than the cost disclosed above.

9. DEBTORS

	2007 £	2006 £
Trade debtors	86,597	36,674
Other debtors	3,458,225	3,043,761
	<u><u>3,544,822</u></u>	<u><u>3,080,435</u></u>

Debtors include an amount of £nil (2006: £41,214) which is due after more than one year.

THE BLACK ANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

**10. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Bank loans and overdrafts	100,915	425,851
Trade creditors	690,041	288,473
Amounts owed to group undertakings	310,513	100,542
Social security and other taxes	584,541	149,976
Other creditors	5,356,968	3,683,190
	<u>7,042,978</u>	<u>4,648,032</u>

**11. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007 £	2006 £
Bank loans	<u>32,453,719</u>	<u>17,711,657</u>

	2007 £	2006 £
Analysis of loans		
Not wholly repayable within five years other than by instalments	-	-
Wholly repayable within five year	33,964,232	17,711,657
Included in current liabilities	-	-
	<u>33,964,232</u>	<u>17,711,657</u>
Total	<u>33,964,232</u>	<u>17,711,657</u>

Loans due in more than 1 year are secured by fixed charges over properties owned by the company.

Creditors due in more than one year represent interest only mortgages repayable on the sale of the property.

THE BLACK ANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

12. SHARE CAPITAL

	2007 £	2006 £
AUTHORISED		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

13. RESERVES

	Investment property revaluation reserve £	Profit and loss account £
At 1 January 2007	1,300,430	(638,203)
Loss for the year		(1,847,261)
Transfer between Revaluation reserve and P/L account		1,000,000
Movement on investment property	1,800,000	
Transfer between reserves	(1,000,000)	-
At 31 December 2007	<u>2,100,430</u>	<u>(1,485,464)</u>

14. CONTINGENT LIABILITIES

The Black Ant Company Limited has guaranteed the liabilities of Antic Limited, a company under common control, held with the National Westminster Bank PLC.

The company also acts as guarantor for TBAC Blenheim Gardens Limited, a company under common control, in respect of loan facilities granted to TBAC Blenheim Gardens Limited.

15. FINANCE LEASE COMMITMENTS

As at 31 December 2007, the company had annual commitments under non-cancellable operating leases as follows;

	2007 £	2006 £
Expiry date:		
Between 2 and 5 years	15,000	0

THE BLACK ANT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

16. RELATED PARTY TRANSACTIONS

At 31 December 2007 the following amounts were due from companies under common control:

Antic Limited £956,950, (2006: £1,413,839)
SC Vivid Limited £649,486 (2006: £566,359)
TBAC Investments Limited £389,989 (2006: £404,001)
TBAC Coldharbour Lane Limited £113,857 (2006: £24,535)

These amounts are included within 'Debtors due within one year'.

As at the year end liabilities of £46,995 were incorrectly transferred from Antic Limited and rental payments of £17,500 not recharged, therefore the accounts for that company show a balance due of £1,021,445.

At 31 December 2007 the following amounts were due to companies under control:

Billsop Properties Limited £310,513 (2006: £37,277)
Whizissue Limited £nil (2006: £63,265)
TBAC Blenheim Gardens Limited £3,588 (2006: £42,471)

These amounts are included within 'Creditors due within one year'. A balance of £74,748 due from Whizissue was written off during the year.

Liabilities for bank loans totalling £310,513 have been included within the balance due from Billsop Properties Limited in respect of properties held by that company. Further bank loan liabilities in respect of properties held by TBAC Investments Ltd totalled £1,200,000 and other loans of £396,145 as at the year end. Rental income and loan interest payments were also transferred.

During the year the company operated a current accounts with A J Thomas, a director and ultimate controlling party of the company. At the year end A J Thomas owed the company £21,132 (2006: £135,715) which is included within 'Other debtors'. At the year end, M Thomas, father of A J Thomas, owed the company £189,167 (2006: £184,274) included within 'Other debtors'.

17. CONTROLLING PARTY

The ultimate controlling party is A J Thomas a director of the company.