

Gadbrook Estates Limited

Abbreviated Accounts

for the Year Ended 30 September 2005

Registration number: 03617315

Gadbrook Estates Limited
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**Independent Auditors' Report to
Gadbrook Estates Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Gadbrook Estates Limited, set out on pages 2 to 4, together with the financial statements of the company for the year ended 30 September 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

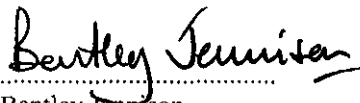
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Bentley Jennison
Chartered Accountants & Registered Auditors

Charterhouse
Legge Street
Birmingham
B4 7EU

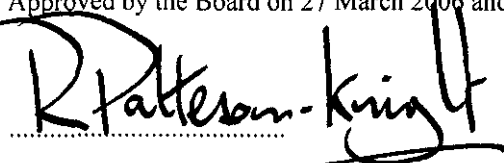
27 March 2006

Gadbrook Estates Limited
Abbreviated Balance Sheet as at 30 September 2005

		2005		2004	
	Note	£	£	£	£
Fixed assets					
Tangible assets	2		50,863,147		11,609,227
Current assets					
Debtors		164,425		149,119	
Cash at bank and in hand		<u>501,508</u>		<u>41,408</u>	
		665,933		190,527	
Creditors: Amounts falling due within one year		<u>(640,011)</u>		<u>(410,480)</u>	
Net current assets/(liabilities)			<u>25,922</u>		<u>(219,953)</u>
Total assets less current liabilities			50,889,069		11,389,274
Creditors: Amounts falling due after more than one year			<u>(42,447,890)</u>		<u>(7,683,991)</u>
Net assets			<u>8,441,179</u>		<u>3,705,283</u>
Capital and reserves					
Called up share capital	4		150,005		150,005
Share premium reserve			205,215		205,215
Revaluation reserve			6,286,305		2,128,970
Profit and loss account			<u>1,799,654</u>		<u>1,221,093</u>
Equity shareholders' funds			<u>8,441,179</u>		<u>3,705,283</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 27 March 2006 and signed on its behalf by:



R J Patteson-Knight
Director

Gadbrook Estates Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2005

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Turnover

Turnover represents rent receivable during the period.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Equipment	33% straight line basis
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Investment properties

Certain of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows:

- (i) No depreciation is provided in respect of investment properties and they are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year; and
- (ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

This treatment as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

Gadbrook Estates Limited

Notes to the abbreviated accounts for the Year Ended 30 September 2005

..... continued

2 Fixed assets

	Tangible assets £
Cost or Valuation	
As at 1 October 2004	11,615,456
Revaluations	4,572,565
Additions	38,182,451
Disposals	(3,502,218)
As at 30 September 2005	<u>50,868,254</u>
Depreciation	
As at 1 October 2004	6,230
Eliminated on disposal	(2,218)
Charge for the year	1,095
As at 30 September 2005	<u>5,107</u>
Net book value	
As at 30 September 2005	<u>50,863,147</u>
As at 30 September 2004	<u>11,609,226</u>

The investment properties were valued during the year by external valuers King Sturge partnership and the directors on an open market value basis subject to existing tenancies.

3 Creditors

Included within creditors are bank loans and overdrafts amounting to £42,457,413 (2004 - £7,945,157), amounts which are secured by a fixed charge on the investment properties and a floating charge on the other assets of the business.

4 Share capital

	2005 £	2004 £
Authorised		
2,000,000 Ordinary shares of 10 pence each	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid		
1,500,050 Ordinary shares of 10 pence each	<u>150,005</u>	<u>150,005</u>