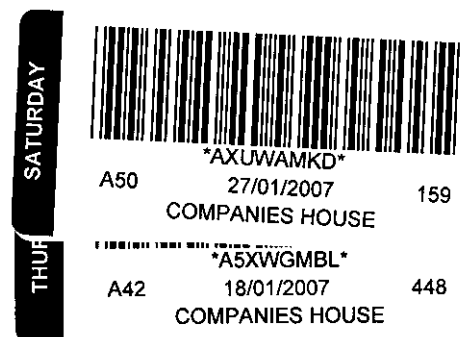


COMPANY REGISTRATION NUMBER 4068779

**LANGSTONE HOMES LIMITED**  
**FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2005**



**THE GRAHAM FULFORD PARTNERSHIP**

Chartered Accountants & Registered Auditors  
61 Bedford Street  
Leamington Spa  
Warwickshire  
CV32 5DN

# **LANGSTONE HOMES LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 SEPTEMBER 2005**

<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	<b>1</b>
Independent auditors' report to the shareholders	<b>3</b>
Profit and loss account	<b>5</b>
Statement of total recognised gains and losses	<b>6</b>
Balance sheet	<b>7</b>
Notes to the financial statements	<b>8</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	<b>14</b>
Notes to the detailed profit and loss account	<b>15</b>

# **LANGSTONE HOMES LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 SEPTEMBER 2005**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2005.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year continues to be that of land and property developers, and holding company.

### **THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At 30 September 2005</b>	<b>At 1 October 2004</b>
Mr B J D Lewis	<b>2</b>	<b>2</b>
Mr D J P Jarvis	<b>2</b>	<b>2</b>
	<hr/>	<hr/>

### **DIRECTORS' RESPONSIBILITIES**

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

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 that 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. The directors 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.

### **AUDITORS**

A resolution to re-appoint The Graham Fulford Partnership as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# LANGSTONE HOMES LIMITED

## THE DIRECTORS' REPORT *(continued)*

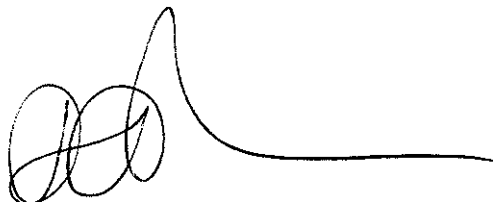
YEAR ENDED 30 SEPTEMBER 2005

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
30 Rother Street  
Stratford upon Avon  
Warwickshire  
CV37 6LV

Signed by order of the directors

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

MR B J D LEWIS  
Company Secretary

Approved by the directors on 9/1/2007...

# **LANGSTONE HOMES LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANGSTONE HOMES LIMITED**

**YEAR ENDED 30 SEPTEMBER 2005**

We have audited the financial statements of Langstone Homes Limited for the year ended 30 September 2005 on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

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 DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities 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.

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 within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom 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 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.

**LANGSTONE HOMES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
LANGSTONE HOMES LIMITED** *(continued)*

**YEAR ENDED 30 SEPTEMBER 2005**

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

61 Bedford Street  
Leamington Spa  
Warwickshire  
CV32 5DN

21/1/2007



THE GRAHAM FULFORD PARTNERSHIP  
Chartered Accountants  
& Registered Auditors

# **LANGSTONE HOMES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 30 SEPTEMBER 2005**

	Note	2005 £	2004 £
<b>TURNOVER</b>		<b>1,487,973</b>	1,878,597
Cost of sales		<u>1,373,134</u>	<u>1,827,582</u>
<b>GROSS PROFIT</b>		<b>114,839</b>	51,015
Administrative expenses		<u>82,884</u>	<u>23,590</u>
<b>OPERATING PROFIT</b>	2	<b>31,955</b>	27,425
Interest receivable		6,802	2,093
Interest payable and similar charges		(317)	(3,842)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>38,440</u>	<u>25,676</u>
Tax on profit on ordinary activities	3	<u>9,625</u>	<u>6,564</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>28,815</b></u>	<u>19,112</u>

The notes on pages 8 to 12 form part of these financial statements.

# **LANGSTONE HOMES LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**YEAR ENDED 30 SEPTEMBER 2005**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Profit for the financial year attributable to the shareholders	<b>28,815</b>	19,112
Unrealised profit on revaluation of: Shares in group companies brought forward	<b><u>234,764</u></b>	<u>—</u>
Total gains and losses recognised since the last annual report	<b><u>263,579</u></b>	<u>19,112</u>

The notes on pages 8 to 12 form part of these financial statements.



# LANGSTONE HOMES LIMITED

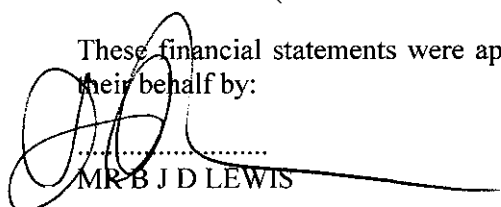
## BALANCE SHEET

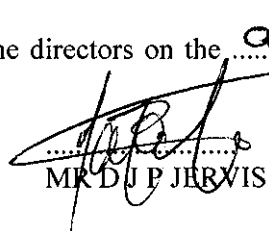
30 SEPTEMBER 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	4	6,475	7,612
Investments	5	<u>234,770</u>	<u>2</u>
		<u>241,245</u>	<u>7,614</u>
<b>CURRENT ASSETS</b>			
Stocks		68,254	10,000
Debtors	6	98,094	45,396
Cash at bank		<u>139,752</u>	<u>400,665</u>
		<u>306,100</u>	<u>456,061</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>209,672</u>	<u>389,581</u>
<b>NET CURRENT ASSETS</b>		<u>96,428</u>	<u>66,480</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>337,673</u>	<u>74,094</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	9	4	4
Revaluation reserve	10	234,764	—
Profit and loss account	11	<u>102,905</u>	<u>74,090</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>337,673</u>	<u>74,094</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 9/11/2007 and are signed on their behalf by:

  
MR B J D LEWIS

  
MR D J P JERVIS

**LANGSTONE HOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2005**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% Reducing balance
Office Equipment	- 25% Reducing balance

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for foreseeable losses where appropriate and profit is recognised at stages when the outcome of the contract can reasonably be foreseen and profit can prudently be calculated and recorded.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**2. OPERATING PROFIT**

Operating profit is stated after charging:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	—	—
Depreciation of owned fixed assets	<b>2,159</b>	2,537
Auditors' fees	<b><u>4,860</u></b>	<b><u>1,490</u></b>

**LANGSTONE HOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2005**

**3. TAXATION ON ORDINARY ACTIVITIES**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK Corporation tax based on the results for the year at 20.70% (2004 - 19%)	<b>9,625</b>	6,526
Over/under provision in prior year	<u>-</u>	<u>38</u>
Total current tax	<u><b>9,625</b></u>	<u>6,564</u>

**4. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; Machinery £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>			
At 1 October 2004	<b>3,120</b>	<b>8,019</b>	<b>11,139</b>
Additions	<u>-</u>	<u>1,022</u>	<u>1,022</u>
<b>At 30 September 2005</b>	<u><b>3,120</b></u>	<u><b>9,041</b></u>	<u><b>12,161</b></u>
<b>DEPRECIATION</b>			
At 1 October 2004	<b>1,365</b>	<b>2,162</b>	<b>3,527</b>
Charge for the year	<u>439</u>	<u>1,720</u>	<u>2,159</u>
<b>At 30 September 2005</b>	<u><b>1,804</b></u>	<u><b>3,882</b></u>	<u><b>5,686</b></u>
<b>NET BOOK VALUE</b>			
<b>At 30 September 2005</b>	<u><b>1,316</b></u>	<u><b>5,159</b></u>	<u><b>6,475</b></u>
At 30 September 2004	<u>1,755</u>	<u>5,857</u>	<u>7,612</u>

**5. INVESTMENTS**

**INVESTMENT IN SUBSIDIARIES**

	<b>£</b>
<b>COST OR VALUATION</b>	
At 1 October 2004	<b>2</b>
Additions	<b>4</b>
Revaluations	<b>234,764</b>
<b>At 30 September 2005</b>	<u><b>234,770</b></u>
<b>NET BOOK VALUE</b>	
<b>At 30 September 2005</b>	<u><b>234,770</b></u>
At 30 September 2004	<u>2</u>

**LANGSTONE HOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2005**

**5. INVESTMENTS** *(continued)*

The company owns 100% of the issued share capital of the companies listed below,

Langstone Homes (Belwell Lane) Limited  
 Langstone Homes (Mulroy Road) Limited  
 Langstone Homes (Norton Lindsay) Limited  
 Langstone Homes (Warwick Road, Solihull) Limited  
 Langstone Homes (Benson Road) Limited  
 Langstone Homes (Tenby Street) Limited

All the subsidiaries trade as developers of private homes.

**Aggregate capital and reserves as at 30 September 2005**

	<b>2005</b>	2004
	<b>£</b>	<b>£</b>
Langstone Homes (Belwell Lane) Limited	<b>56,400</b>	20,191
Langstone Homes (Mulroy Road) Limited	<b>59,583</b>	—
Langstone Homes (Norton Lindsay) Limited	<b>25,728</b>	—
Langstone Homes (Warwick Road, Solihull) Limited	<b>23,617</b>	—
Langstone Homes (Benson Road) Limited	<b>41,066</b>	—
Langstone Homes (Tenby Street) Limited	<b>28,376</b>	—
<b>Profit for the period ended 30 September 2005</b>		
Langstone Homes (Belwell Lane) Limited	<b>36,210</b>	20,190
Langstone Homes (Mulroy Road) Limited	<b>21,147</b>	—
Langstone Homes (Norton Lindsay) Limited	<b>25,727</b>	—
Langstone Homes (Warwick Road, Solihull) Limited	<b>23,616</b>	—
Langstone Homes (Benson Road) Limited	<b>41,065</b>	—
Langstone Homes (Tenby Street) Limited	<b>28,375</b>	—

**6. DEBTORS**

	<b>2005</b>	2004
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<b>87,078</b>	41,749
VAT recoverable	<b>11,016</b>	—
Other debtors	<b>—</b>	3,647
	<b><u>98,094</u></b>	<b><u>45,396</u></b>

**LANGSTONE HOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2005**

**7. CREDITORS: Amounts falling due within one year**

	2005	2004
	£	£
Bank loans and overdrafts	—	45,087
Trade creditors	19,745	32,803
Amounts owed to group undertakings	147,851	1
Other creditors including taxation and social security:		
Corporation tax	16,901	6,526
PAYE and social security	2,497	—
VAT	—	99,036
Other creditors	—	187,000
Directors current accounts	17,978	17,978
Accruals and deferred income	4,700	1,150
	<u>42,076</u>	<u>311,690</u>
	<u>209,672</u>	<u>389,581</u>

The bank loan and other creditors are secured on the work in progress of the company.

**8. RELATED PARTY TRANSACTIONS**

The company was under the joint control of Messrs B J D Lewis & D J P Jervis throughout the year.

During the year the company paid consultancy fees amounting to £26,500 (2004 £207,500) to Lewis & Lewis, a business in which Mr Lewis is a partner and paid consultancy fees amounting to £27,900 (2004 £223,600) to Jervis & Jervis, a business in which Mr Jervis is a partner.

During the year the company received commissions amounting to Nil (2004 £600,000) from and sold sites for £1,477,973 (2004 £476,920) to group companies in the year.

All the above transactions were at arms length.

**9. SHARE CAPITAL**

**Authorised share capital:**

	2005	2004
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**Allotted, called up and fully paid:**

	2005	2004
	No	No
	£	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

**LANGSTONE HOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2005**

**10. REVALUATION RESERVE**

	2005 £	2004 £
Revaluation of fixed assets	<u>234,764</u>	<u>—</u>
Balance carried forward	<u>234,764</u>	<u>—</u>

**11. PROFIT AND LOSS ACCOUNT**

	2005 £	2004 £
Balance brought forward	74,090	54,978
Retained profit for the financial year	<u>28,815</u>	<u>19,112</u>
Balance carried forward	<u>102,905</u>	<u>74,090</u>