

Company Registration Number: 4107607

ESPLANADE HOMES (ROCHESTER) LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2006

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ESPLANADE HOMES (ROCHESTER) LIMITED

REPORTS & FINANCIAL STATEMENTS

Year ended 28 February 2006

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ESPLANADE HOMES (ROCHESTER) LIMITED

COMPANY INFORMATION

DIRECTORS: C Di Ciacca
D Gandhi
R Dipre
S C McCabe
S R McCabe

SECRETARY: C Di Ciacca

REGISTERED OFFICE: Ashley House
Ashley Road
Epsom
Surrey
KT18 5AZ

COMPANY NUMBER: 4107607

AUDITORS: Mazars LLP
Chartered Accountants
90 St Vincent Street
Glasgow
G2 5UB

ESPLANADE HOMES (ROCHESTER) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and the Financial Statements for the year ended 28 February 2006.

PRINCIPAL ACTIVITY

The principal activity of the company is the development of residential properties.

RESULTS AND DIVIDENDS

The results of the company for the year ended 28 February 2006 are set out in the profit and loss account on page 3. The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors named below have held office for the whole year unless otherwise stated:

K C McCabe - resigned 20 March 2006

C Di Ciacca

D Gandhi

R Dipre

S C McCabe

S R McCabe - appointed 20 March 2006

According to the register maintained as required by the Companies Act 1985, the Directors do not have any interest in the share capital of the company. K C McCabe is a Director of Scarborough Property Group plc, in whose accounts his interest in the share capital of that company is shown.

There were no other interests notifiable under Section 324 of the Companies Act 1985.

STATEMENT OF 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 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;
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

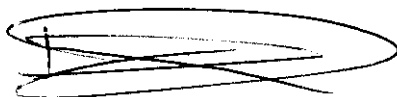
The Directors confirm that the accounts comply with the above requirements.

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.

AUDITORS

Mazars LLP have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

Approved by the board on 18 December 2006 and signed on its behalf by:



D Gandhi
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESPLANADE HOMES (ROCHESTER) LIMITED

We have audited the financial statements of Esplanade Homes (Rochester) Limited for the year ended 28 February 2006 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 judgements made by the directors in 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2006 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 Directors' Report is consistent with the financial statements.


MAZARS LLP

Chartered Accountants and Registered Auditor

GLASGOW

Date: 22/12/2006

ESPLANADE HOMES (ROCHESTER) LIMITED**PROFIT & LOSS ACCOUNT**

Year ended 28 February 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
TURNOVER	2	392,500	425,500
Cost of Sales		(407,753)	(342,610)
GROSS (LOSS) / PROFIT		<u>(15,253)</u>	<u>82,890</u>
Administrative expenses		(7,805)	(8,015)
OPERATING (LOSS) / PROFIT	3	<u>(23,058)</u>	<u>74,875</u>
Interest payable	4	(47,826)	(46,078)
Interest receivable	5	26,458	21,013
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(44,426)</u>	<u>49,810</u>
Taxation	7	9,455	(9,454)
RETAINED RESULT FOR THE YEAR	12	<u><u>(34,971)</u></u>	<u><u>40,356</u></u>

The company's turnover and expenses all relate to continuing operations.

There were no recognised gains or losses other than the result for the year, and accordingly a separate Statement of Gains and Losses has not been prepared.

ESPLANADE HOMES (ROCHESTER) LIMITED

BALANCE SHEET

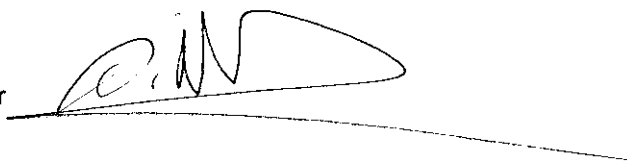
At 28 February 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
CURRENT ASSETS			
Stock	8	-	402,374
Debtors	9	11,803	1,805
Cash at bank and in hand		<u>1,167,504</u>	<u>771,038</u>
		1,179,307	1,175,217
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(776,848)	(737,787)
NET ASSETS		<u>402,459</u>	<u>437,430</u>
CAPITAL AND RESERVES		£	£
Share capital	11	1	1
Profit & loss account	12	<u>402,458</u>	<u>437,429</u>
EQUITY SHAREHOLDERS' FUNDS	12	<u>402,459</u>	<u>437,430</u>

Approved by the Board on 18 December 2006 and signed on its behalf by

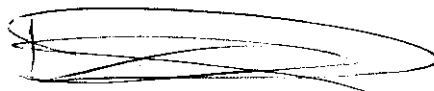
S R McCabe

Director



D Gandhi

Director



The notes on pages 5 and 6 form part of these financial statements.

ESPLANADE HOMES (ROCHESTER) LIMITED

NOTES TO THE ACCOUNTS

Year ended 28 February 2006

1 ACCOUNTING POLICIES

The accounts are prepared in accordance with applicable accounting standards.

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents amounts received during the year from the sale of development properties.

(c) Stock

Stock is stated at the lower of cost and net realisable value.

(d) Taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2 TURNOVER

The company operates in the United Kingdom and the whole of the turnover is to the United Kingdom market.

3 OPERATING (LOSS) / PROFIT

The operating (loss) / profit is stated after charging

Auditor's remuneration

2006
£

2005
£

1,200

1,200

4 INTEREST PAYABLE

Other interest

£

£

47,826

46,078

5 INTEREST RECEIVABLE

Bank interest

£

£

26,458

21,013

6 EMPLOYEES

The average number of employees during the period was nil (2005:nil). None of the directors received any remuneration in the period.

7 TAXATION

£

£

The taxation (credit) / charge for the year comprises:

Corporation tax - current year

(9,455)

9,454

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

Profit on ordinary activities before tax

£
(44,426)

£
49,810

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK (19%) (2005: 19%)

(8,441)

9,464

Effects of:

Marginal relief

(1,014)

(10)

Current tax (credit) / charge for the year

(9,455)

9,454

ESPLANADE HOMES (ROCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2006

	<u>2006</u>	<u>2005</u>
	£	£
8 STOCK		
Property developments	-	402,374
	<u>-</u>	<u>402,374</u>
9 DEBTORS	£	£
Other debtors	2,356	1,193
Corporation tax	9,447	-
Prepayments	-	612
	<u>11,803</u>	<u>1,805</u>
	<u>11,803</u>	<u>1,805</u>
10 CREDITORS FALLING DUE WITHIN ONE YEAR	£	£
Trade Creditors	273	83
Loan from Scarborough Property Group plc	384,083	360,278
Loan from Gladedale Homes Limited	384,083	360,278
Corporation tax	-	9,463
Other creditors	6,299	6,299
Accruals	2,110	1,386
	<u>776,848</u>	<u>737,787</u>
	<u>776,848</u>	<u>737,787</u>
11 CALLED UP SHARE CAPITAL	£	£
Authorised:		
Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

At the year end only 1 share had been issued.

12 RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total £
Balance at 1 March 2005	1	437,429	437,430
Result for the year	-	(34,971)	(34,971)
	<u>1</u>	<u>402,458</u>	<u>402,459</u>
Balance at 28 February 2006	<u>1</u>	<u>402,458</u>	<u>402,459</u>

13 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions in FRS 8 and consequently has not disclosed details of transactions with group undertakings. During the year a property was sold at market value to Ms Dipre, daughter of Remo Dipre, a director of the company.

14 ULTIMATE PARENT COMPANY

In the opinion of the directors there is no ultimate parent undertaking.