

Registration number: 4114093

Cobe Consulting Limited

Abbreviated Accounts
for the Year Ended 31 March 2007

K M
Chartered Accountants & Registered Auditors
4 - 6 Grimshaw Street
Burnley
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BB11 2AZ

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Cobe Consulting Limited

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

We have examined the abbreviated accounts of Cobe Consulting Limited, set out on pages 2 to 6, together with the financial statements of the company for the year ended 31 March 2007 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 abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

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 are properly prepared in accordance with those provisions.

Other information

On 24 November 2008 we reported as the auditor to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our report included the following paragraph:

Emphasis of matter

The company is due to re-negotiate a loan of £1,254,264 in January 2009. The company's ability to continue as a going concern is dependant on the successful negotiation of this loan. Further details are set out in note 19 to the financial statements. Our audit report is not qualified in this respect.


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K M
Chartered Accountants & Registered Auditors

24 November 2008

4 - 6 Grimshaw Street
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Lancs
BB11 2AZ

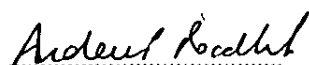
Cobe Consulting Limited
Abbreviated Balance Sheet as at 31 March 2007

		2007		2006	
	Note	£	£	£	£
Fixed assets					
Tangible assets	2		278,630		286,038
Current assets					
Stocks		2,288,719		245,279	
Debtors		293,784		145,411	
Cash at bank and in hand		752,519		154,026	
		<u>3,335,022</u>		<u>544,716</u>	
Creditors: Amounts falling due within one year	3	<u>(1,714,186)</u>		<u>(301,776)</u>	
Net current assets			<u>1,620,836</u>		<u>242,940</u>
Total assets less current liabilities			<u>1,899,466</u>		<u>528,978</u>
Creditors: Amounts falling due after more than one year	3		(1,366,295)		(172,598)
Provisions for liabilities			<u>(1,777)</u>		<u>(4,017)</u>
Net assets			<u>531,394</u>		<u>352,363</u>
Capital and reserves					
Called up share capital	5		45		45
Profit and loss reserve			<u>531,349</u>		<u>352,318</u>
Shareholders' funds			<u>531,394</u>		<u>352,363</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 24 November 2008 and signed on its behalf by:

X



Mr A P Broadhurst
Director

The notes on pages 3 to 6 form an integral part of these financial statements.

Cobe Consulting Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Going concern

These financial statements have been prepared on a going concern basis.

Turnover

Turnover represents amounts invoiced to outside customers, except in respect of contracting activities where turnover represents the value of work carried out during the year including amounts not invoiced. Turnover excludes value added tax.

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:

Long leasehold property	2% per annum straight line
Office equipment	25% per annum reducing balance
Computer equipment	33% per annum reducing balance

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Cobe Consulting Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

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Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Fixed assets

	Tangible assets £
Cost	
As at 1 April 2006	332,712
Additions	3,956
As at 31 March 2007	<u>336,668</u>
Depreciation	
As at 1 April 2006	46,674
Charge for the year	11,364
As at 31 March 2007	<u>58,038</u>
Net book value	
As at 31 March 2007	<u>278,630</u>
As at 31 March 2006	<u>286,038</u>

3 Creditors

Included in the creditors are the following amounts due after more than five years:

	2007 £	2006 £
After more than five years by instalments	<u>120,567</u>	<u>132,917</u>

Cobe Consulting Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

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4 Security of borrowings

The bank loans are repayable and secured as follows:-

1) Building loan - £174,284 repayable over 15 years from 2004 by monthly instalments of £1,798, at a rate of 2% above base, and secured on the long leasehold property presently occupied by the company and stated on the balance sheet.

The directors have also provided a guarantee for £11,500.

2) Bridging loan - £1,254,264 repayable by monthly instalments of £11,850 for 2 years from January 2007, and then convertible on terms to be agreed. Interest on the loan is at a rate of 2% above base and the loan is secured on land and buildings held as stock at a cost of £1.8m.

The directors have also provided an interest shortfall guarantee limited in amount to £100,000.

3) Bridging loan - £429,855 secured on land and buildings held as stock at a cost of £488,719 and repaid on completion of project in July 2007.

5 Share capital

	2007 £	2006 £
Authorised		
Equity		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Equity		
45 Ordinary shares of £1 each	<u>45</u>	<u>45</u>

6 Subsequent event and going concern

There are no adjusting events arising from subsequent changes in conditions which existed at the balance sheet date. However, the recent well published financial crisis including a reduction in some property values, could lead to an impairment in the carrying value of the company's properties. In particular, a property held as stock at a cost of £1.8m could be affected by the general market status and the certainty and amounts of its rental income.

There is a loan from the Bank of Ireland, amounting to £1,254,264 at 31st March 2007, which falls due to be converted to a development loan in January 2009. The terms and conditions of the conversion have yet to be agreed. Although there is no reason to expect that the loan will not be converted, because of the amount involved there is a possible element of uncertainty about the company's ability to continue as a going concern if the loan is not re-negotiated.

Cobe Consulting Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

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7 Related parties

Controlling entity

The company is under the joint control of the directors A P Broadhurst, M G Rothwell, and J M Towriess.

Related party transactions

During the year, the following transactions took place with Hill Property Developments Ltd, a company in which the directors A P Broadhurst and J M Towriess have an interest in:-

- 1) Received fees amounting to £260,640,
- 2) Recharged purchases and direct wages / subcontractor costs amounting to £3,637,357,
- 3) Purchased land and building for resale amounting to £470,000.

The balance owing from Hill Property Developments Ltd at 31st March 2007 was £142,900:

During the year, the following transaction took place with The Holflash Partnership, based in the Isle of Man, which the directors have interests in:-

- 1) Granted an option to purchase land and buildings for the sum of £30,000.
- 2) Paid the trust £450,000 to release a purchase option held on land and buildings purchased by the company during the year .

No outstanding amount was owed to the trust at the year end.

During the year, the directors charged the following motor and travelling expenses to the company based on the approved Inland Revenue fixed profit car scheme:-

A P Broadhurst - £ 6,853,
M G Rothwell - £ 6,668,
J M Towriess - £ 854.

Directors' loan accounts

The following balances owed to the directors were outstanding at the year end:

	2007 £	2006 £
A P Broadhurst	87,955	533
M G Rothwell	87,005	533
J M Towriess	87,005	533
	<u>261,965</u>	<u>1,599</u>

No interest is charged in respect of these balances.