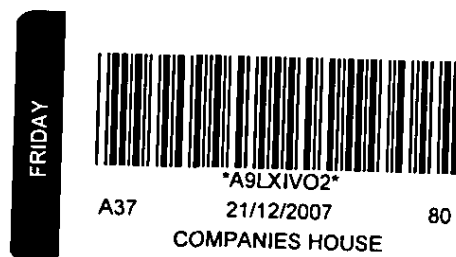


Geldart Properties (Appleton) Limited
Financial Statements
For
The Year Ended 31 December 2006

Company Registration Number 4301298



BEEVER AND STRUTHERS
Chartered Accountants & Registered Auditors
St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Geldart Properties (Appleton) Limited

Financial Statements

Year Ended 31 December 2006

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Geldart Properties (Appleton) Limited

Officers and Professional Advisers

The Director	J P Cosgrave
Company Secretary	Halliwells Secretaries Limited
Registered Office	St James's Court Brown Street Manchester M2 2JF
Auditor	Beever and Struthers Chartered Accountants & Registered Auditors St George's House 215 - 219 Chester Road Manchester M15 4JE
Bankers	Yorkshire Bank PLC The Chancery Spring Gardens Manchester M2 1YB

Geldart Properties (Appleton) Limited

The Director's Report

Year Ended 31 December 2006

The director presents his report and the financial statements of the company for the year ended 31 December 2006

Principal Activities and Business Review

The principal activity of the company during the period was that of land and property developers

The director regards the state of the company's affairs to be satisfactory

Results and Dividends

The profit for the year amounted to £276,133. The director has not recommended a dividend

Director

The director who served the company during the year was as follows

J P Cosgrave

The company is a wholly owned subsidiary and the interests of the group director are disclosed in the financial statements of the parent company

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 judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

Geldart Properties (Appleton) Limited

The Director's Report *(continued)*

Year Ended 31 December 2006

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.

In so far as the director is aware

there is no relevant audit information of which the company's auditor is unaware, and

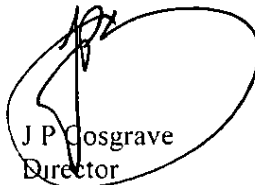
the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Beever and Struthers as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office
St James's Court
Brown Street
Manchester
M2 2JF

Signed by



J P Cosgrave
Director

Approved by the director on 19 December 2007

Geldart Properties (Appleton) Limited
Independent Auditor's Report to the Shareholder of
Geldart Properties (Appleton) Limited
Year Ended 31 December 2006

We have audited the financial statements of Geldart Properties (Appleton) Limited for the year ended 31 December 2006, which have been prepared on the basis of the accounting policies set out on page 8

This report is made solely to the company's shareholder, 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 shareholder those matters we are required to state to them in an auditor's 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditor

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 judgements 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.

Geldart Properties (Appleton) Limited
Independent Auditor's Report to the Shareholder of
Geldart Properties (Appleton) Limited *(continued)*
Year Ended 31 December 2006

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 financial statements have been prepared on the going concern basis. The validity of which depends upon the continued support of the company's bankers, shareholder and other loan provider, as explained in note 1 to the financial statements. Our opinion is not qualified in this respect.

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 31 December 2006 and of its profit 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.

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

19 December 2007

BEEVER AND STRUTHERS
Chartered Accountants
& Registered Auditors

Beever and Struthers

Geldart Properties (Appleton) Limited

Profit and Loss Account

Year Ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	1,051,517	—
Cost of sales		<u>647,763</u>	—
Gross profit		403,754	—
Administrative expenses		<u>127,621</u>	<u>148,659</u>
Operating profit/(loss)	3	276,133	(148,659)
Interest payable and similar charges	5	—	305
Profit/(loss) on ordinary activities before taxation		<u>276,133</u>	<u>(148,964)</u>
Tax on profit/(loss) on ordinary activities	6	—	—
Profit/(loss) for the financial year		<u>276,133</u>	<u>(148,964)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 11 form part of these financial statements

Geldart Properties (Appleton) Limited

Balance Sheet

31 December 2006

	Note	2006 £	2005 £
Current assets			
Stocks	7	895,186	1,266,135
Debtors	8	10,161	2,644
Cash at bank		50,215	862
		<u>955,562</u>	<u>1,269,641</u>
Creditors: Amounts Falling due Within One Year	9	<u>1,622,771</u>	<u>2,212,983</u>
Net current liabilities		<u>(667,209)</u>	<u>(943,342)</u>
Total assets less current liabilities		<u>(667,209)</u>	<u>(943,342)</u>
Capital and reserves			
Called-up equity share capital	11	2	2
Profit and loss account	12	<u>(667,211)</u>	<u>(943,344)</u>
Deficit	13	<u>(667,209)</u>	<u>(943,342)</u>

These financial statements were approved and signed by the director and authorised for issue on 19 December 2007


J P Cosgrave
Director

The notes on pages 8 to 11 form part of these financial statements

Geldart Properties (Appleton) Limited

Notes to the Financial Statements

Year Ended 31 December 2006

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. Accordingly the assets are recognised and measured on the basis that the company expects to recover the recorded amounts in the normal course of business and the liabilities are recognised and measured on the basis that they will be discharged in the normal course of business.

The validity of this assumption depends upon the continued support of the company's bankers, shareholder and other loan provider.

In preparing the financial statements the director has taken into account all information about the foreseeable future that could reasonably be expected to be available. On this basis the director considers that it is appropriate to prepare the financial statements on the going concern basis.

Cash Flow Statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents property sales which are recognised upon practical completion of the sale.

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

Geldart Properties (Appleton) Limited

Notes to the Financial Statements

Year Ended 31 December 2006

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2006 £	2005 £
United Kingdom	<u>1,051,517</u>	<u>-</u>

3 Operating Profit/(Loss)

Operating profit/(loss) is stated after charging

	2006 £	2005 £
Auditor's remuneration - as auditor	<u>2,150</u>	<u>1,500</u>

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

	2006 No	2005 No
Number of administrative staff	<u>1</u>	<u>1</u>

No salaries or wages have been paid to employees, including the director, during the year

5 Interest Payable and Similar Charges

	2006 £	2005 £
Interest payable on bank borrowing	<u>-</u>	<u>305</u>

Geldart Properties (Appleton) Limited

Notes to the Financial Statements

Year Ended 31 December 2006

6. Taxation on Ordinary Activities

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2005 - 19%)

	2006 £	2005 £
Profit/(loss) on ordinary activities before taxation	<u>276,133</u>	<u>(148,964)</u>
Profit/(loss) on ordinary activities by rate of tax	52,465	-
Utilisation of tax losses	<u>(52,465)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

7 Stocks

	2006 £	2005 £
Work in progress	<u>895,186</u>	<u>1,266 135</u>

8 Debtors

	2006 £	2005 £
Amounts owed by group undertakings	2,644	2,644
Prepayments and accrued income	<u>7,517</u>	<u>-</u>
	<u>10,161</u>	<u>2,644</u>

9 Creditors: Amounts Falling due Within One Year

	2006 £	2005 £
Bank loans	752,633	1,644,958
Amounts owed to group undertakings	352,925	322 525
Other creditors	<u>240,000</u>	<u>241 000</u>
	1,345,558	2,208 483
Accruals and deferred income	<u>277,213</u>	<u>4,500</u>
	<u>1,622,771</u>	<u>2,212,983</u>

The bank loan is secured by way of a charge over the land and buildings which form part of the company's work in progress and a fixed and floating charge over the assets of the company

Geldart Properties (Appleton) Limited

Notes to the Financial Statements

Year Ended 31 December 2006

10 Related Party Transactions

The director has taken advantage of the exemption in Financial Reporting Standard No 8 from disclosing related party transactions in the financial statements on the grounds that the company is a wholly owned subsidiary and the ultimate parent company prepares consolidated financial statements which are publicly available

11 Share Capital

Authorised share capital:

	2006 £	2005 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12. Profit and Loss Account

	2006 £	2005 £
Balance brought forward	(943,344)	(794,380)
Profit/(loss) for the financial year	<u>276,133</u>	<u>(148,964)</u>
Balance carried forward	<u>(667,211)</u>	<u>(943,344)</u>

13. Reconciliation of Movements in Shareholder's Funds

	2006 £	2005 £
Profit/(Loss) for the financial year	276,133	(148,964)
Opening shareholder's deficit	<u>(943,342)</u>	<u>(794,378)</u>
Closing shareholder's deficit	<u>(667,209)</u>	<u>(943,342)</u>

14. Ultimate Parent Company and Controlling Party

The ultimate holding company is Geldart Properties plc, a company incorporated in Great Britain. Geldart Properties plc prepares consolidated financial statements.

In the opinion of the director, the company is controlled by its 100% shareholder Mr J P Cosgrave.