JV LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

Company Registration Number 04491974

Tenon Limited
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

JV LIMITED

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YEAR ENDED 31 MARCH 2006

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The following pages do not form part of the statutory financial statements

JV LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 MARCH 2006

The board of directors	CC Hickling G Brewster J Bennett PR Gratton
Company secretary	CS Staley
Business address	3 and 4 Regan Way Chetwynd Business Park Chilwell Nottingham NG9 6RZ
Registered office	3 and 4 Regan Way, Chetwynd Business Park, Chilwell, Nottingham NG9 6RZ
Auditor	Tenon Audit Limited Registered Auditor Charnwood House Gregory Boulevard Nottingham NG7 6NX
Accountants	Tenon Limited Charnwood House Gregory Boulevard Nottingham NG7 6NX
Bankers	HSBC 12 Victoria Street Nottingham NG1 2FF

The directors present their report and the financial statements of the company for the year ended 31 March 2006.

Principal activities

The principal activity of the business during the year is the supply of valuation services.

Directors

The directors who served the company during the year were as follows:

CC Hickling
G Brewster
J Bennett
P Wildman
PR Gratton

No directors had any beneficial interest in the share capital of the company at 31 March 2006 or 31 March 2005.

PR Gratton was appointed as a director on 13 March 2006.

P Wildman resigned as a director on 13 March 2006.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

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.

Signed on behalf of the directors

CS Staley
Secretary

Approved by the directors on 22|1|07

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JV LIMITED

YEAR ENDED 31 MARCH 2006

We have audited the financial statements of JV Limited for the year ended 31 March 2006 on pages 6 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
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 (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 and 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 information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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.

Tenon audit

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of affairs of the company as at 31 March 2006 and of the profit for the year then ended;
- 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.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

Date:- 23 January 2007

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
Turnover		5,295,733	*3,489,399*
Cost of sales		(3,237,832)	*(2,148,533)*
Gross profit		2,057,901	*1,340,866*
Administrative expenses		(1,737,938)	*(1,300,411)*
Operating profit	2	319,963	*40,455*
Interest receivable		8,446	*2,934*
Interest payable and similar charges		(162)	–
Profit on ordinary activities before taxation		328,247	*43,389*
Tax on profit on ordinary activities	3	(92,173)	*(8,000)*
Profit for the financial year		236,074	*35,389*

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account

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

JV LIMITED

BALANCE SHEET

31 MARCH 2006

	Note	2006 £	2006 £	*2005 £*	*2005 £*
Fixed assets					
Tangible assets	4		70,135		*108,879*
Current assets					
Debtors	5	868,391		*656,758*	
Cash at bank		627,141		*173,885*	
		1,495,532		*830,643*	
Creditors: Amounts falling due within one year	6	(1,087,180)		*(697,109)*	
Net current assets			408,352		*133,534*
Total assets less current liabilities			478,487		*242,413*
Capital and reserves					
Called-up share capital	9		200,000		*200,000*
Profit and loss account	10		278,487		*42,413*
Shareholders' funds			478,487		*242,413*

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 January 2005).

These financial statements were approved by the directors on the ..22/1/07...... and are signed on their behalf by:

C C Hickling
Director

G Brewster
Director

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

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Cash flow statement

The company has taken advantage of the exemption in FRS 1 from the requirement to produce a cashflow statement on the grounds that it is small company.

Turnover

Turnover represents the value of work done in the year in respect of surveys.

Tangible fixed asset

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Computer equipment	- 33% reducing balance
Office equipment	- 25% reducing balance

The cost of tangible fixed assets is the purchase price together with any incidental costs of acquisition.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

2. Operating profit

Operating profit is stated after charging:

	2006	2005
	£	£
Depreciation of owned fixed assets	67,461	72,810
Auditor's fees	2,600	2,500

3. Taxation on ordinary activities

(a) Analysis of charge in the year

	2006	2005
	£	£
UK Corporation tax based on the results for the year at 19% (2005 - 19%)	92,173	8,000

(b) Factors affecting current tax charge

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

	2006	2005
	£	£
Profit on ordinary activities before taxation	328,247	43,389
Profit/(loss) on ordinary activities by rate of tax	62,367	8,244
Effects of:		
Expenses not deductible for tax purposes	22,237	-
Capital allowances for period in excess of depreciation	7,569	8,075
Utilisation of tax losses	-	(8,136)
Rounding on tax charge	-	(183)
Total current tax (note 3(a))	92,173	8,000

4. Tangible fixed assets

	Office and computer equipment £
Cost	
At 1 April 2005	206,884
Additions	28,717
At 31 March 2006	235,601
Depreciation	
At 1 April 2005	98,005
Charge for the year	67,461
At 31 March 2006	165,466
Net book value	
At 31 March 2006	70,135
At 31 March 2005	*108,879*

5. Debtors

	2006 £	*2005 £*
Trade debtors	721,353	*347,602*
Amounts owed by related undertakings	40,933	*247,757*
Other debtors	106,105	*61,399*
	868,391	*656,758*

6. Creditors: Amounts falling due within one year

	2006 £	*2005 £*
Trade creditors	22,942	*8,013*
Amounts owed to related undertakings	436,548	*368,042*
Corporation tax	85,173	*8,000*
Other taxation and social security	251,447	*149,922*
Other creditors	291,070	*163,132*
	1,087,180	*697,109*

7. Commitments under operating leases

At 31 March 2006 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2006 £	*2005 £*
Operating leases which expire:		
Within 2 to 5 years	16,177	*80,739*

8. Related party transactions

During the year, Direct Valuations Limited (a major shareholder of JV Limited) made management charges and other recharges of £550,443 (2005: £242,977) to the company. At the year end £200,000 (2005: £230,656) remained in creditors relating to this charge. In addition, sales amounting to £2,557,460 (2005: £2,561,579) were made to Direct Valuations Limited in the year. At the year end £40,933 (2005: £247,757) was due to the company in respect of these sales.

JV Limited is related to J&E Shepherd as it has partners who have an interest in J&E Nominees Limited (a major shareholder of JV Limited).

During the year, J&E Shepherd made management charges of £337,784 (2005: £211,977) to the company. At the year end £236,548 (2005: £137,248) remained in creditors relating to this charge.

9. Share capital

Authorised share capital:

	2006	2005
	£	£
5,000,000 Ordinary shares of £1 each	5,000,000	*5,000,000*
5,000,000 Ordinary Class 2 shares of £1 each	5,000,000	*5,000,000*
	10,000,000	*10,000,000*

Allotted, called up and fully paid:

	2006		2005	
	No	£	*No*	*£*
Ordinary shares of £1 each	100,000	100,000	*100,000*	*100,000*
Ordinary Class 2 shares of £1 each	100,000	100,000	*100,000*	*100,000*
	200,000	200,000	*200,000*	*200,000*

10. Profit and loss account

	2006	2005
	£	£
Balance brought forward	42,413	*7,024*
Profit for the financial year	236,074	*35,389*
Balance carried forward	278,487	*42,413*

11. Ultimate parent company

The company is controlled jointly by Direct Valuations Limited and J & E Nominees Limited by virtue of them each holding 50% of the shares in the company.