

JV LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007



Company Registration Number 04491974

Tenon Limited
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

JV LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

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JV LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2007

The board of directors	CC Hickling G Brewster PR Gratton I Fergusson
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

JV LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2007

The directors present their report and the financial statements of the company for the year ended 31 March 2007

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
PR Gratton

J Bennett resigned as a director on 10 July 2007

I Fergusson was appointed 10 July 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 which disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

JV LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2007

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Tenon audit

JV LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JV LIMITED

YEAR ENDED 31 MARCH 2007

We have audited the financial statements of JV Limited on pages 6 to 12 for the year ended 31 March 2007. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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. We also report to you whether in our opinion the information given in the Directors' 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 directors' remuneration and other transactions 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 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

JV LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JV
LIMITED** *(continued)*

YEAR ENDED 31 MARCH 2007

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 the company's affairs as at 31 March 2007 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 Directors' Report is consistent with the financial statements

Tenon Audit Limited

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

Date - 18 January 2008

JV LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
Turnover		5,740,355	5,295,733
Cost of sales		(3,531,217)	(3,237,832)
Gross profit		<u>2,209,138</u>	<u>2,057,901</u>
Administrative expenses		(1,966,765)	(1,737,938)
Operating profit	2	<u>242,373</u>	<u>319,963</u>
Interest receivable		10,278	8,446
Interest payable and similar charges		(137)	(162)
Profit on ordinary activities before taxation		<u>252,514</u>	<u>328,247</u>
Tax on profit on ordinary activities	3	(44,265)	(92,173)
Profit for the financial year		<u><u>208,249</u></u>	<u><u>236,074</u></u>

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 12 form part of these financial statements

JV LIMITED
BALANCE SHEET
31 MARCH 2007

	Note	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	4		282,831		70,135
Current assets					
Debtors	5	1,223,967		868,391	
Cash at bank		188,931		627,141	
		<u>1,412,898</u>		<u>1,495,532</u>	
Creditors: Amounts falling due within one year	6	<u>(998,993)</u>		<u>(1,087,180)</u>	
Net current assets			413,905		408,352
Total assets less current liabilities			<u>696,736</u>		<u>478,487</u>
Provisions for liabilities					
Deferred taxation	7		(10,000)		—
			<u>686,736</u>		<u>478,487</u>
Capital and reserves					
Called-up share capital	10		200,000		200,000
Profit and loss account	11		486,736		278,487
Shareholders' funds			<u>686,736</u>		<u>478,487</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 January 2005)

These financial statements were approved by the directors and authorised for issue on , and are signed on their behalf by



PR Gratton
Director

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

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

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

Motor vehicles	- 25% reducing balance
Computer equipment	- 33% straight line
Office equipment	- 33% straight line

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

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

2. Operating profit

Operating profit is stated after charging

	2007 £	2006 £
Depreciation of owned fixed assets	70,987	67,461
Loss on disposal of fixed assets	3,928	-
Auditor's fees	<u>4,434</u>	<u>2,600</u>

3. Taxation on ordinary activities

(a) Analysis of charge in the year

	2007 £	2006 £
In respect of the year		
UK Corporation tax based on the results for the year at 19% (2006 - 19%)	38,000	92,173
Over/under provision in prior year	<u>(3,735)</u>	<u>-</u>
	34,265	92,173
Deferred tax		
Origination and reversal of timing differences	10,000	-
Tax on profit on ordinary activities	<u>44,265</u>	<u>92,173</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2006 - 19%)

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>252,514</u>	<u>328,247</u>
Profit/(loss) on ordinary activities by rate of tax	47,997	62,367
Effects of		
Expenses not deductible for tax purposes	956	22,237
Capital allowances for period in excess of depreciation	(11,285)	7,569
Adjustments to tax charge in respect of previous periods	(3,735)	-
Rounding on tax charge	332	-
Total current tax (note 3(a))	<u>34,265</u>	<u>92,173</u>

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

4. Tangible fixed assets

	Motor Vehicles £	Office and computer equipment £	Total £
Cost			
At 1 April 2006	17,596	218,005	235,601
Additions	–	287,611	287,611
Disposals	–	(7,724)	(7,724)
At 31 March 2007	<u>17,596</u>	<u>497,892</u>	<u>515,488</u>
Depreciation			
At 1 April 2006	–	165,466	165,466
Charge for the year	4,392	66,595	70,987
On disposals	–	(3,796)	(3,796)
At 31 March 2007	<u>4,392</u>	<u>228,265</u>	<u>232,657</u>
Net book value			
At 31 March 2007	<u>13,204</u>	<u>269,627</u>	<u>282,831</u>
At 31 March 2006	<u>17,596</u>	<u>52,539</u>	<u>70,135</u>

5 Debtors

	2007 £	2006 £
Trade debtors	1,141,375	721,353
Amounts owed by group undertakings	32,839	40,933
Other debtors	49,753	106,105
	<u>1,223,967</u>	<u>868,391</u>

6. Creditors: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	11,169	22,942
Amounts owed to related undertakings	266,443	436,548
Corporation tax	32,265	85,173
Other taxation and social security	291,964	251,447
Other creditors	397,152	291,070
	<u>998,993</u>	<u>1,087,180</u>

7. Deferred taxation

The movement in the deferred taxation provision during the year was

	2007 £	2006 £
Profit and loss account movement arising during the year	10,000	–
At 31 March 2007	<u>10,000</u>	<u>–</u>

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

7. Deferred taxation (continued)

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Excess of taxation allowances over depreciation on fixed assets	10,000	-
	<u>10,000</u>	<u>-</u>

8. Commitments under operating leases

At 31 March 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2007 £	2006 £
Operating leases which expire Within 2 to 5 years	31,175	16,177
	<u>31,175</u>	<u>16,177</u>

9. Related party transactions

During the year, Direct Valuations Limited (a major shareholder of JV Limited) made management charges of £402,675 (2006 £550,443) to the company. At the year end £130,159 (2006 £200,000) remained in creditors relating to this charge. In addition, sales amounting to £1,391,343 (2006 £2,557,460) were made to Direct Valuations Limited in the year. At the year end £32,839 (2006 £40,933) 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 £232,244 (2006 £337,784) to the company. At the year end £136,916 (2006 £236,548) remained in creditors relating to this charge.

P Gratton and C Hickling are directors of the company and of Gasbox Limited. The company purchased services totalling £111,184 from Gasbox Limited during the year. There were no balances with Gasbox Limited outstanding at the year end.

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

10 Share capital

Authorised share capital:

	2007	2006
	£	£
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
	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	2007		2006
	No	£	No
Ordinary shares of £1 each	100,000	100,000	100,000
Ordinary Class 2 shares of £1 each	100,000	100,000	100,000
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

11. Profit and loss account

	2007	2006
	£	£
Balance brought forward	278,487	42,413
Profit for the financial year	208,249	236,074
Balance carried forward	<u>486,736</u>	<u>278,487</u>

12. Ultimate parent company and post balance sheet events

The company was controlled jointly by Direct Valuations Limited and J & E Nominees Limited by virtue of them each holding 50% of the shares in the company up to 11 July 2007. On that date Direct Valuations Limited acquired the remaining shares becoming the parent company of JV Limited. The ultimate parent undertaking is now Shepherd Direct Limited.