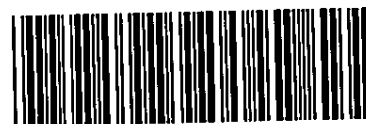

ATLAS NEW HOMES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2006

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ATLAS NEW HOMES LIMITED

COMPANY INFORMATION

DIRECTORS	N J Earley R Empson
SECRETARY	N J Earley
COMPANY NUMBER	5064505
REGISTERED OFFICE	82 Hampton Road West Hanworth Middlesex TW13 6DZ
AUDITORS	Barnes Roffe LLP Chartered Accountants & Registered Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge, Middlesex UB8 2FX

ATLAS NEW HOMES LIMITED

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ATLAS NEW HOMES LIMITED

DIRECTORS' REPORT **For the year ended 31 December 2006**

The directors present their report and the financial statements for the year ended 31 December 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and 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 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,
- 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 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the directors is aware at the time the report is approved

- 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 (s 234ZA (2))

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of property developers.

DIRECTORS

The directors who served during the year were

N J Earley
R Empson

AUDITORS

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ATLAS NEW HOMES LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2006

This report was approved by the board on 22-11-07

and signed on its behalf



N J Earley
Secretary

ATLAS NEW HOMES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS NEW HOMES LIMITED

We have audited the financial statements of Atlas New Homes Limited for the year ended 31 December 2006 set out on pages 5 to 10. 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 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 AUDITORS

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 judgments 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.

ATLAS NEW HOMES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS NEW HOMES LIMITED

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, and
- have been properly prepared in accordance with the Companies Act 1985
- the information given in the Directors' report is consistent with the financial statements



Barnes Roffe LLP

Chartered Accountants & Registered Auditors
3 Brook Business Centre, Cowley Mill Road,
Uxbridge, Middlesex
UB8 2FX

Date 21-11-07

ATLAS NEW HOMES LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2006

	Note	2006 £	2005 £
TURNOVER		2,045,000	1,245,783
Cost of sales		<u>(1,865,585)</u>	<u>(879,689)</u>
GROSS PROFIT		179,415	366,094
Administrative expenses		<u>(33,154)</u>	<u>(26,771)</u>
OPERATING PROFIT	2	146,261	339,323
Interest payable		<u>(118,640)</u>	<u>(95,093)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,621	244,230
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	<u>(5,000)</u>	<u>(73,000)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ 22,621</u>	<u>£ 171,230</u>

The notes on pages 7 to 10 form part of these financial statements


ATLAS NEW HOMES LIMITED

BALANCE SHEET
As at 31 December 2006

		2006	2005
	Note	£	£
Tangible fixed assets	4	14,967	7,706
		<u>14,967</u>	<u>7,706</u>
CURRENT ASSETS			
Stocks		510,626	386,294
Debtors	5	3,162,212	1,768,207
Cash at bank and in hand		1,000	10,013
		<u>3,673,838</u>	<u>2,164,514</u>
CREDITORS amounts falling due within one year	6	<u>(3,420,557)</u>	<u>(1,926,593)</u>
NET CURRENT ASSETS		<u>253,281</u>	<u>237,921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 268,248</u>	<u>£ 245,627</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account	8	268,246	245,625
SHAREHOLDERS' FUNDS		<u>£ 268,248</u>	<u>£ 245,627</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised by the board on **22-11-07** and signed on its behalf


N J Earley
Director

The notes on pages 7 to 10 form part of these financial statements

ATLAS NEW HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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)

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	25% reducing balance
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1.4 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.5 Stock

Unless pre-sold, trading properties under development are stated at the total cost incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and payments on account. The cost includes the purchase price of the properties and other attributable outgoings. Profit on longer term residential properties is recognised on a prudent basis when the overall profitability of a development can be reasonably foreseen.

1.6 Turnover

Turnover represents the sale value of properties sold during the period excluding VAT. In addition, turnover also includes amounts recoverable on development work undertaken during the period and which is calculated to reflect the level of construction activity undertaken in the year. These amounts are recorded in the balance sheet at the year end less any payment received on account of work done.

2 OPERATING PROFIT

The operating profit is stated after charging

	2006	2005
	£	£
Depreciation of tangible fixed assets		
- owned by the company	4,989	2,569
Auditors' remuneration	2,500	2,400

During the year, no director received any emoluments (2005 - £nil)

ATLAS NEW HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

3 TAXATION

	2006 £	2005 £
UK corporation tax charge on profits of the year	£ 5,000	£ 73,000

There were no factors that materially affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK applicable to the company

There were no factors that may materially affect future tax charges

4. TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 January 2006	10,275
Additions	12,250
At 31 December 2006	22,525
Depreciation	
At 1 January 2006	2,569
Charge for the year	4,989
At 31 December 2006	7,558
Net book value	
At 31 December 2006	£ 14,967
At 31 December 2005	£ 7,706

5. DEBTORS

	2006 £	2005 £
Amount recoverable on residential housing projects	3,105,404	1,750,354
Other debtors	56,808	17,853
	£ 3,162,212	£ 1,768,207

ATLAS NEW HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

6 CREDITORS

Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	2,149,087	-
Trade creditors	22,544	61,713
Amounts owed to related parties	1,153,250	1,692,576
Corporation tax	77,206	104,800
Social security and other taxes	3,813	4,375
Other creditors	14,657	63,129
	<u>£ 3,420,557</u>	<u>£ 1,926,593</u>

7. SHARE CAPITAL

	2006 £	2005 £
Authorised		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

8 RESERVES

Profit and loss account	£
At 1 January 2006	245,625
Profit retained for the year	22,621
	<u>£ 268,246</u>
At 31 December 2006	

9. CAPITAL COMMITMENTS

At 31 December 2006 the company had capital commitments as follows

	2006 £	2005 £
Authorised but not provided in these financial statements	<u>£ -</u>	<u>£ 1,040,000</u>

ATLAS NEW HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 December 2006**

10 RELATED PARTY TRANSACTIONS

Atlas Cleaning Limited is a company owned and controlled by the directors, N J Earley and R Empson. The amount due to Atlas Cleaning Limited at the year end amounted to £150,350 (2005- £1,692,576)

In March 2006, the company purchased the freehold land, on which the current development is being carried out, for £1,000,000 from Atlas Cleaning Limited Directors' pension scheme. The directors N J Earley and R W Empson are beneficiaries of the scheme. The balance due to the Pension Fund at the year end amounts to £1,003,078.

During the year the company incurred cost in relation to building projects to the extent of £102,000 on the properties owned by the directors, N J Earley and R W Empson.

11. CONTROLLING PARTY

The company is controlled by N J Earley and R Empson by virtue of their shareholdings.