COMPANY NUMBER 1499944

ABBEY MANOR DEVELOPMENTS LIMITED

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2006

ABBEY MANOR DEVELOPMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 February 2006

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ABBEY MANOR DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTORS	N R S TIMMIS MRS G R TIMMIS J A S TIMMIS MISS J E GANNON
SECRETARY	I P BOWKER
AUDITORS	FRANCIS CLARK SOUTHERNHAY HOUSE 36 SOUTHERNHAY EAST EXETER EX1 1NX
REGISTERED OFFICE	THE ABBEY PRESTON ROAD YEOVIL SOMERSET BA20 2EN

ABBEY MANOR DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report and audited financial statements for the year ended 28 February 2006.

PRINCIPAL ACTIVITIES

The company is based in the United Kingdom and its principal activities are those of Industrial and Commercial Property Developers, together with the Management of Industrial and Commercial Units. There has been no significant change in the company's activities during the year.

REVIEW OF THE BUSINESS

The company has sold fewer developments than last year, the principal sale being that of a motor dealership, but it has maintained its construction activity and project management in a sub-contractor role and has added to work-in-progress principally at its housing site near Hayle in Cornwall. Demand for some let property held for sale continues and during the coming year the directors anticipate further sales both of this and of housing.

RESULTS AND DIVIDEND

Detailed results for the year are as shown in the financial statements on pages 5 to 17. The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors of the Company who served during the year and their beneficial interests (including the interests of wives and infant children where applicable) in shares of the company are as follows:

		Ordinary Shares	
		2006	2005
N R S Timmis	'A' Ordinary	356	356
N R S Timmis	'B' Ordinary	60	60
Mrs G R Timmis		-	-
J A S Timmis	'A' Ordinary	77	77
Miss J E Gannon		-	-

AUDITORS

Francis Clark have indicated their willingness to continue as Auditors. In accordance with Section 385 of the Companies Act 1985, a resolution proposing their re-appointment will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

Ian Bowler

I P BOWKER
SECRETARY

DATED: 20 December 2006

ABBEY MANOR DEVELOPMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

ABBEY MANOR DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEY MANOR DEVELOPMENTS LIMITED

We have audited the financial statements of Abbey Manor Developments Limited for the year ended 28 February 2006 which comprise the Profit and Loss Account, the Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention as modified for the revaluation of investment property and 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 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 transactions with the company 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 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.

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 28 February 2006 and of its profit for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985.

Francis Clark

Francis Clark Chartered Accountants
36 Southernhay East, Exeter EX1 1NX

Registered Auditors

22 December 2006

ABBEY MANOR DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 February 2006

	Note	2006		2005 (restated)	
		£000	£000	£000	£000
TURNOVER	1		3,105		9,700
Changes in Stock and Work-in-Progress			1,971		(2,009)
			5,076		7,691
Other Operating Income	2		136		91
			5,212		7,782
External Charges			(3,812)		(3,161)
			1,400		4,621
Staff Costs	3	236		851	
Other Operating Charges		534		471	
			(770)		(1,322)
OPERATING PROFIT FOR THE YEAR	4		630		3,299
Share of Operating Profit in Joint Venture	7		17		60
Interest Receivable		16		7	
Interest Payable and Similar Charges	5	508		530	
			(492)		(523)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			155		2,836
Tax on Profit on Ordinary Activities	6		(133)		(864)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			22		1,972

The notes on pages 9 to 17 form an integral part of these financial statements.

ABBEY MANOR DEVELOPMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2006	2005 (restated)
	£000	£000
Profit for the Financial Year	22	1,972
Surplus on Revaluation on Freehold Land	303	0
Total Recognised Gains and Losses for the year	325	1,972

ABBEY MANOR DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 28 February 2006

	Note	2006 £000	2006 £000	2005 *(restated)* £000	2005 *(restated)* £000
FIXED ASSETS					
Freehold Property	7a		3,166		0
Investments in Joint Venture:-	7b				
Share of Gross Assets		10		7	
Share of Gross Liabilities		(142)		(214)	
			(132)		(207)
	7		3,034		(207)
CURRENT ASSETS					
Stocks and Work-in-Progress	8	14,197		12,226	
Debtors	9	144		41	
Cash at Bank and In Hand		0		28	
		14,341		12,295	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	11,615		6,567	
NET CURRENT ASSETS			2,726		5,728
TOTAL ASSETS LESS CURRENT LIABILITIES			5,760		5,521
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11		(83)		(81)
			5,677		5,440
CAPITAL AND RESERVES					
Called Up Share Capital	12		2		2
Profit & Loss Account	13		5,372		5,438
Revaluation Reserve	13		303		0
SHAREHOLDERS' FUNDS	14		5,677		5,440

APPROVED BY THE BOARD OF DIRECTORS

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J A S TIMMIS
DIRECTOR
DATED: 21 December 2006

The notes on pages 9 to 17 form an integral part of these financial statements.

ABBEY MANOR DEVELOPMENTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2006

	Note	2006 £000	2006 £000	2005 *(restated)* £000	2005 *(restated)* £000
CASH FLOW FROM OPERATING ACTIVITIES	15(a)		(3,746)		5,719
(INJECTIONS) TO/DISTRIBUTIONS FROM JOINT VENTURE			(59)		385
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	15(b)		(651)		(489)
TAXATION			(584)		(456)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS	15(b)		(1,334)		0
ACQUISITIONS AND DISPOSALS	15(b)		0		0
Cash (Outflow)/Inflow Before Use of Liquid Resources and Financing			(6,374)		5,159
FINANCING					
Issue of shares		0		0	
Increase/(Decrease) in Debt		2,311		(5,081)	
			2,311		(5,081)
INCREASE IN (NET DEBT)/CASH IN PERIOD			(4,063)		78
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	15(c)				
Increase in (Net Debt)/Cash in the Period			(4,063)		78
Cash (Inflow)/Outflow from (Increase)/Decrease in Lease Financing and Borrowings			(2,311)		5,081
Movement in Net Debt in the Period			(6,374)		5,159
Net Debt at 1 March			(4,081)		(9,240)
NET DEBT AT 28 FEBRUARY	15(c)		(10,455)		(4,081)

ABBEY MANOR DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

a ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.
Entities in which the company holds an interest on a long term basis and are jointly controlled by one or more other venturers under a contractual arrangement are treated as joint ventures. In the company accounts, joint ventures are accounted for using the gross equity method.

b CHANGES IN ACCOUNTING POLICY

In preparing the financial statements for the current year, the Company has adopted the Financial Reporting Standard:

- FRS 21 'Events after the Balance Sheet date (IAS 10)'

The effects of the change in accounting policy to adopt FRS 21 were to recognise the proposed dividends for the years ended 28 February 2004 and 28 February 2003 in the current and prior year respectively when they were paid.

c TURNOVER

Turnover represents the amount of sales and work invoiced excluding Value Added Tax and work in progress. Rent and other income received in respect of properties held for re-sale is included in turnover on a straight line basis over rent review periods.

d STOCKS AND WORK-IN-PROGRESS

Stocks

i) Undeveloped land and buildings, where no planning application has been made, are valued at the lower of cost and the estimated net realisable value of each individual holding.

ii) Completed industrial units are valued at the lower of cost and valuation on the basis of net realisable value, subject to existing tenancies. It is the policy of the Company to maintain these units in such condition that the value to the business is not impaired by the passage of time. Such expenditure is charged to profit and loss in the year in which it is incurred.

Work-in-Progress

i) Work-in-progress in respect of buildings under construction for speculative trading is valued at the lower of cost and net realisable value. Cost comprises the costs attributable to the land, including expenditure on roadways and buildings under construction.

e DEFERRED TAXATION

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material differences.

f PENSIONS

The Company operates a Defined Contribution Pension Scheme. The assets of the Scheme are held separately from those of the Company in an independently-administered fund. Contributions are charged to the Profit and Loss account as they become payable in accordance with the rules of the scheme.

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

The Directors are of the opinion that the company carries on one class of business, all of which is performed in the United Kingdom and therefore no further analysis is provided.

2. OTHER OPERATING INCOME

	2006	2005 *(restated)*
	£000	£000
Sundry Income	136	91
	136	91

3a. STAFF COSTS

	2006	2005
Wages and Salaries	209	755
Social Security	27	96
Sundry Staff costs	0	0
Pension Contributions - defined contribution	0	0
	236	851
The average monthly number of employees during the Year was made up as follows:-	No.	No.
Service, Administrative and Directors	5	5

3b. DIRECTORS' REMUNERATION

	2006	2005 *(restated)*
	£000	£000
Fees	0	0
Other Emoluments and Benefits	236	851
Pension Contributions	0	0
	236	851

The highest paid director received emoluments of £136,000.
Retirement benefits are accruing to one of the directors under a money purchase scheme.

4. OPERATING PROFIT

	2006	2005
The operating profit is stated after charging:		
Auditors' Remuneration	6	6
And after crediting Rental income	932	1,105

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005 (restated)
	£000	£000
Borrowings wholly repayable within 5 Years other than by instalments:-		
Bank Loans and Overdraft	84	0
Other Loans	422	516
Interest on Late Tax	2	14
	508	530

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is made up as follows:		
Based on profit for the Year:		
Corporation Tax at 30% (2005 30%)	133	853
Under provision in respect of prior years	0	11
	133	864

7a. TANGIBLE FIXED ASSETS

	Freehold Property	Total
	£000	£000
Cost or Valuation:		
As at 1 March 2005	0	0
Additions	1,334	1,334
Transfers	1,529	1,529
Surplus on Revaluation	303	303
As at 28 February 2006	3,166	3,166

7b. INVESTMENTS IN JOINT VENTURE

The company has entered a joint arrangement with South Somerset District Council in a land development project.
The company's 50% share of the trading result and the assets/liabilities are as follows:

	2006	2005 (restated)
	£000	£000
Sales	75	440
Cost of Sales	(57)	(380)
Other expenses	(1)	0
	17	60
Stocks	0	0
Debtors	1	1
Bank	9	6
Net Current Assets	10	7
Creditors	(142)	(214)
	(132)	(207)

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. STOCKS AND WORK-IN-PROGRESS

Work-in-Progress		
Work-in-Progress	9,610	6,666
	9,610	6,666
Stocks		
Land & Building Stocks Held for Development & Resale	4,587	5,560
	14,197	12,226

9. DEBTORS

	2006 £000	2005 *(restated)* £000
Trade Debtors	77	39
Other Debtors	66	0
Prepayments	1	2
	144	41

10. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank Loans and Overdraft	4,035	0
Other Loans	0	0
Trade Creditors	299	177
Payments on account	0	0
Corporation Tax	95	508
Other Taxes and Social Security	0	19
Proposed Dividend	0	0
Other Creditors	6,788	4,826
Accruals and Deferred Income	398	1,037
	11,615	6,567

The bank overdraft is secured by way of a fixed charge over certain of the company's assets.

11. CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Sinking Funds	83	81

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. CALLED UP SHARE CAPITAL

Authorised		
Equity		
50,000 'A' Ordinary Shares of £1 Each	50	50
50,000 'B' Ordinary Shares of £1 Each	50	50
	100	100
Allotted, Called up and Fully paid		
Equity		
1,000 'A' Ordinary Shares of £1 Each	1	1
1,000 'B' Ordinary Shares of £1 Each	1	1
	2	2

RIGHTS OF EACH CLASS OF SHARE

'A' Ordinary Shares have the right of one vote per share. They are also entitled to the following:-

a) The first £62,500 (multiplied by the RPI since 1st January 1991) of net dividends declared in each financial year, plus1/2 of the excess over that amount.

b) The first £162,500 (multiplied by the RPI since 1st January 1991) of trading profits after tax (excluding profits on disposal of fixed assets) in each financial year, to be credited to an 'A' share reserve.

c) Profits or losses after tax on the disposal of any freehold or leasehold property held in fixed assets.

'B' Ordinary Shares have no entitlement to vote. They are entitled to the following:-

a) 1/2 of the remainder of any dividend declared in excess of the first portion payable to the 'A' Ordinary Shares.

b) The remainder of the trading profits after tax in excess of the first portion payable of the 'A' Ordinary Shares to be credited to a 'B' share reserve.

Where trading losses are made these are charged to the 'B' reserve before the 'A' reserve.

On winding up of the Company the 'A' Ordinary Shares will be repaid in preference to the 'B' Ordinary Shares.

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. RESERVES

	Revaluation Reserve £000	P&L "A" Reserve £000	P&L "B" Reserve £000	Total £000
As at 1 March 2005	0	1,410	3,849	5,259
Prior year adjustment	-	179	-	179
As restated	0	1,589	3,849	5,438
Profit for the Year	-	22	-	22
Dividend paid	-	(88)	-	(88)
Surplus on revaluation	303	-	-	303
As at 28 February 2006	303	1,523	3,849	5,675

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the Year	22
Dividend paid	(88)
Surplus on revaluation	303
Net increase in shareholders' funds	237
Opening Shareholders' Funds	5,261
Prior year adjustment	179
Closing Shareholders' Funds	5,677

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. CASH FLOW STATEMENT

a) *Reconciliation of Operating Profit to Net Cash Outflow from Operating Activities*

	2006	2005 *(restated)*
	£000	£000
Operating Profit	630	3,299
Depreciation Charges	0	0
(Increase)/Decrease in Stocks and Works in Progress	(3,500)	1,609
(Increase)/Decrease in Debtors	(86)	930
Decrease in Creditors	(790)	(119)
	(3,746)	5,719

b) Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	2006	2005 *(restated)*
	£000	£000
Returns on Investments and Servicing of Finance		
Interest Received	0	37
Interest Paid	(563)	(440)
Dividends Paid	(88)	(86)
Net Cash Outflow for Returns on Investments and Servicing of Finance	(651)	(489)
Capital Expenditure and Financial Investment:		
Sale of Property, Plant or Equipment	0	0
Receipts from Sale of Investments	0	0
Purchase of Property, Plant or Equipment	(1,334)	0
Net Cash Outflow for Capital Expenditure and Financial Investment	(1,334)	0
Financing:		
Debt Due within One Year: Increase/(Decrease) in Short Term Borrowings	2,309	(5,039)
Sinking and Building Fund Transfers	2	(42)
Net Cash Inflow/(Outflow) from Financing	2,311	(5,081)

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

c) Analysis of Net Debt

	At 1 March 2005 *(restated)*	Cash Flow	At 28 February 2006
	£000	£000	£000
Cash in Hand and at Bank	28	(28)	0
Bank Loans and Overdrafts	0	(4,035)	(4,035)
		(4,063)	
Finance Leases	-		
Debt Due Within One Year	(4,028)	(2,309)	(6,337)
Debt Due After More Than One Year	-	-	-
Sinking and Building Funds	(81)	(2)	(83)
		(2,311)	
	(4,081)	(6,374)	(10,455)

16. DEFERRED TAXATION

	Provided 2006	Provided 2005 *(restated)*	Not Provided 2006	Not Provided 2005 *(restated)*
	£000	£000	£000	£000
The full potential deferred tax liability is as follows:-				
Capital Allowances in Advance of Depreciation	0	0	0	0
Other Timing Differences	0	0	0	0
Tax on Revaluation Surplus	0	0	88	0
	0	0	88	0

17. CONTINGENT LIABILITIES

There are contingent liabilities as follows:

Performance bonds for £906,821 (2005: £275,108) in favour of the Company's bankers *in connection with the construction of roads and sewers by the company.*

18. CONTROLLING PARTIES

The Company was controlled throughout the current and previous financial years by its directors who owned 68.5% of the voting rights of the company between them and 100% of the voting rights of the company with members of their close family.

19. RELATED PARTIES

The following Companies which have had material transactions with Abbey Manor Developments Limited are related parties by virtue of N R S Timmis being a Director and majority shareholder of those Companies.

ABBEY MANOR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Trading during the year and balances at the year end were as follows:-

Purchases of goods and services by the Company in the ordinary course of business from:-

	£000
Abbey Manor Group Ltd	414
Abbey Manor Homes Ltd	7
Abbotsdale Homes Ltd	0
Cattedown Regeneration Ltd	0
Lufton 2000	0
	421

Sales of goods and services by the Company in the ordinary course of business to:-

	£000
Abbotsdale Homes Ltd	260
Lufton 2000 JV	0
YPH Waste Management Ltd	15
Cattedown Regeneration Ltd	385
Abbey Manor Group Ltd	0
Abbeygate Executive Pension Trust	0
	660

At 28 February 2006 balances outstanding with the Company shown within Other Creditors (note 10) were:-

Amount due to Abbey Manor Group Ltd.	1,570

At 28 February 2006 balances outstanding on the Directors' and Shareholders' Loan Accounts shown within Other Creditors (note 10) were:-

	£000
Balance at 1 March 2005	1,461
Funds introduced in the Year	4,256
Funds withdrawn in the Year	(949)
Balance at 28 February 2006	4,768

Loan Accounts are either repayable on demand and attract interest at a rate of 1% over the base rate as published by the National Westminster Bank plc, or are on a committed basis and attract interest at a rate of 3% over the base rate.

20. CAPITAL COMMITMENTS

Capital commitments contracted for but not provided for at 28 February 2006 were £nil (2005: £nil), and no capital expenditure has been authorised by the Directors which had not been contracted for (2005: £nil).