REGISTERED NUMBER: 3336512 (England and Wales)

Abbreviated Accounts

for the Year Ended 31 March 2006

for

Appledore Developments Ltd



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Company Information
for the Year Ended 31 March 2006

DIRECTORS:	P M Brotherton Mrs J E Brotherton Ms Y J Brotherton P Convey G W Beadle
SECRETARY:	Ms Y J Brotherton
REGISTERED OFFICE:	11 Lime Hill Road Tunbridge Wells Kent TN1 1LJ
REGISTERED NUMBER:	3336512 (England and Wales)
AUDITORS:	Shaikh & Co Chartered Accountants & Registered Auditors 21 Decimus Park Kingstanding Way Tunbridge Wells Kent TN2 3GP

Report of the Directors
for the Year Ended 31 March 2006

The directors present their report with the accounts of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of property development.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed accounts.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2006.

DIRECTORS
The directors during the year under review were:

P M Brotherton
Mrs J E Brotherton
Ms Y J Brotherton
P Convey
G W Beadle

The beneficial interests of the directors holding office on 31 March 2006 in the issued share capital of the company were as follows:

	31.3.06	1.4.05
Ordinary shares 1 shares		
P M Brotherton	3,046,001	3,046,001
Mrs J E Brotherton	1	1
Ms Y J Brotherton	-	-
P Convey	-	-
G W Beadle	-	-

STATEMENT OF 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 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.

Report of the Directors
for the Year Ended 31 March 2006

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Shaikh & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



P M Brotherton - Director

Date: 21 December 2006

Report of the Independent Auditors to Appledore Developments Ltd Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages five to fifteen, together with the full financial statements of the company for the year ended 31 March 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to fifteen are properly prepared in accordance with that provision.

Shaikh & Co
Chartered Accountants
& Registered Auditors
21 Decimus Park
Kingstanding Way
Tunbridge Wells
Kent
TN2 3GP

Date: 21 December 2006

Abbreviated Profit and Loss Account for the Year Ended 31 March 2006

	Notes	31.3.06	31.3.05
		£	£
GROSS PROFIT		**772,477**	762,947
Administrative expenses		**755,950**	744,800
OPERATING PROFIT	3	**16,527**	18,147
Interest receivable and similar income		**391**	755
		16,918	18,902
Interest payable and similar charges	4	**5,886**	6,127
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**11,032**	12,775
Tax on profit on ordinary activities	5	**(1)**	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		**11,033**	12,775
Retained profit brought forward		**45,290**	32,515
RETAINED PROFIT CARRIED FORWARD		**£56,323**	£45,290

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these abbreviated accounts

Abbreviated Balance Sheet
31 March 2006

	Notes	31.3.06 £	31.3.06 £	31.3.05 £	31.3.05 £
FIXED ASSETS:					
Tangible assets	6		**71,502**		79,458
CURRENT ASSETS:					
Stocks	7	**5,994,265**		7,730,802	
Debtors	8	**945,168**		704,208	
Cash at bank and in hand		**366,451**		27,974	
		7,305,884		8,462,984	
CREDITORS: Amounts falling due within one year	9	**4,247,404**		5,424,982	
NET CURRENT ASSETS:			**3,058,480**		3,038,002
TOTAL ASSETS LESS CURRENT LIABILITIES:			**3,129,982**		3,117,460
CREDITORS: Amounts falling due after more than one year	10		**27,657**		26,168
			£3,102,325		£3,091,292
CAPITAL AND RESERVES:					
Called up share capital	14		**3,046,002**		3,046,002
Profit and loss account			**56,323**		45,290
SHAREHOLDERS' FUNDS:	15		**£3,102,325**		£3,091,292

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

P M Brotherton - Director

Approved by the Board on 21 December 2006

The notes form part of these abbreviated accounts

Cash Flow Statement
for the Year Ended 31 March 2006

	Notes	31.3.06 £	31.3.06 £	31.3.05 £	31.3.05 £
Net cash inflow/(outflow) from operating activities	1		**1,512,339**		(3,117,437)
Returns on investments and servicing of finance	2		**(5,495)**		(5,372)
Taxation			**-**		(80,173)
Capital expenditure	2		**867**		(12,618)
Equity dividends paid			**-**		(30,000)
			1,507,711		**(3,245,600)**
Financing	2		**(1,053,815)**		2,830,726
Increase/(Decrease) in cash in the period			**£453,896**		**£(414,874)**
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		**453,896**		**(414,874)**	
Cash outflow from decrease in debt and lease financing		**21,020**		18,206	
Change in net debt resulting from cash flows			**474,916**		(396,668)
New finance leases			**(22,204)**		-
Movement in net debt in the period			**452,712**		**(396,668)**
Net (debt)/funds at 1 April			**(128,888)**		**267,780**
Net funds/(debt) at 31 March			**£323,824**		**£(128,888)**

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement for the Year Ended 31 March 2006

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.3.06 £	31.3.05 £
Operating profit	**16,527**	18,147
Depreciation charges	**23,833**	26,929
Loss on sale of fixed assets	**5,460**	-
Decrease/(Increase) in stocks	**1,736,537**	(3,800,447)
Increase in debtors	**(240,960)**	(194,640)
(Decrease)/Increase in creditors	**(29,058)**	832,574
Net cash inflow/(outflow) from operating activities	**1,512,339**	(3,117,437)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.06 £	31.3.05 £
Returns on investments and servicing of finance		
Interest received	**391**	755
Interest paid	**(876)**	(1,500)
Interest element of hire purchase payments	**(5,010)**	(4,627)
Net cash outflow for returns on investments and servicing of finance	**(5,495)**	(5,372)
Capital expenditure		
Purchase of tangible fixed assets	**(8,833)**	(12,618)
Sale of tangible fixed assets	**9,700**	-
Net cash inflow/(outflow) for capital expenditure	**867**	(12,618)
Financing		
New loan taken out in year	**2,374,147**	3,423,132
Loan repayments in year	**(3,406,941)**	(574,200)
Hire purchase repayments	**(21,021)**	(18,206)
Net cash (outflow)/inflow from financing	**(1,053,815)**	2,830,726

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement for the Year Ended 31 March 2006

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.05 £	Cash flow £	Other non-cash changes £	At 31.3.06 £
Net cash:				
Cash at bank and in hand	27,974	338,477		366,451
Bank overdraft	(115,419)	115,419		-
	(87,445)	453,896		366,451
Debt:				
Hire purchase	(41,443)	21,020	(22,204)	(42,627)
	(41,443)	21,020	(22,204)	(42,627)
Total	(128,888)	474,916	(22,204)	323,824
Analysed in Balance Sheet				
Cash at bank and in hand	27,974			366,451
Bank overdraft	(115,419)			-
Hire purchase				
within one year	(15,275)			(14,970)
after one year	(26,168)			(27,657)
	(128,888)			323,824

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts for the Year Ended 31 March 2006

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents amounts receivable for properties sold. Sales are recognised on the exchange of contracts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- in accordance with the property
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks
Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.3.06	31.3.05
	£	£
Wages and salaries	**467,105**	485,312
Social security costs	**53,336**	54,908
Other pension costs	**10,883**	12,207
	531,324	552,427

The average monthly number of employees during the year was as follows:

	31.3.06	31.3.05
	9	9

Notes to the Abbreviated Accounts for the Year Ended 31 March 2006

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.06	31.3.05
	£	£
Hire of plant and machinery	**3,449**	1,509
Depreciation - owned assets	**6,316**	7,698
Depreciation - assets on hire purchase contracts	**17,517**	19,231
Loss on disposal of fixed assets	**5,460**	-
Auditors' remuneration	**3,650**	3,500
Directors' emoluments	**365,330**	356,809

Information regarding the highest paid director is as follows:

	31.3.06	31.3.05
	£	£
Emoluments etc	**190,035**	185,400

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.06	31.3.05
	£	£
Bank interest	**876**	1,500
Hire purchase interest	**5,010**	4,627
	5,886	6,127

5. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	31.3.06	31.3.05
	£	£
Current tax:		
UK corporation tax	**(1)**	-
Tax on profit on ordinary activities	**(1)**	-

Notes to the Abbreviated Accounts for the Year Ended 31 March 2006

6. TANGIBLE FIXED ASSETS

	Leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 April 2005	52,357	11,752	52,067	99,352	215,528
Additions	-	-	3,504	27,533	31,037
Disposals	-	-	-	(28,824)	(28,824)
At 31 March 2006	52,357	11,752	55,571	98,061	217,741
DEPRECIATION:					
At 1 April 2005	52,352	8,487	34,975	40,256	136,070
Charge for year	-	816	5,149	17,868	23,833
Eliminated on disposals	-	-	-	(13,664)	(13,664)
At 31 March 2006	52,352	9,303	40,124	44,460	146,239
NET BOOK VALUE:					
At 31 March 2006	5	2,449	15,447	53,601	71,502
At 31 March 2005	5	3,265	17,092	59,096	79,458

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
At 1 April 2005	94,919
Additions	27,533
Disposals	(28,824)
At 31 March 2006	93,628
DEPRECIATION:	
At 1 April 2005	37,225
Charge for year	17,517
Eliminated on disposals	(13,664)
At 31 March 2006	41,078
NET BOOK VALUE:	
At 31 March 2006	52,550
At 31 March 2005	57,694

Notes to the Abbreviated Accounts for the Year Ended 31 March 2006

7. STOCKS

	31.3.06	31.3.05
	£	£
Work in progress	**5,994,265**	7,730,802

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.06	31.3.05
	£	£
V.A.T.	**43,164**	101,208
Trade debtors	**854,725**	548,000
Prepayments & accrued income	**47,279**	-
Loan - PM Brotherton	**-**	55,000
	945,168	704,208

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.06	31.3.05
	£	£
Bank loans and overdrafts (see note 11)	**3,294,030**	4,442,549
Trade creditors	**214,857**	265,064
Dalriada Farms - Loan	**679,170**	679,170
Hire purchase	**14,970**	15,275
Credit cards	**1,087**	363
Social security & other taxes	**22,581**	16,561
Taxation	**(1)**	-
Accrued expenses	**20,710**	6,000
	4,247,404	5,424,982

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.06	31.3.05
	£	£
Hire purchase contracts (see note 12)	**27,657**	26,168

Notes to the Abbreviated Accounts for the Year Ended 31 March 2006

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.3.06 £	31.3.05 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	115,419
Bank loans	**3,294,030**	4,327,130
	3,294,030	4,442,549

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.3.06 £	31.3.05 £
Gross obligations repayable:		
Between one and five years	**27,657**	26,168
Net obligations repayable:		
Between one and five years	**27,657**	26,168

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.06 £	31.3.05 £
Bank overdrafts	-	115,419
Bank loans	**3,294,030**	4,327,130
	3,294,030	4,442,549

Bank overdraft and loans are secured over the development properties included in work in progress.

14. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.3.06 £	31.3.05 £
5,000,000	Ordinary shares	1	**5,000,000**	5,000,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.06 £	31.3.05 £
3,046,002	Ordinary shares	1	**3,046,002**	3,046,002

Notes to the Abbreviated Accounts for the Year Ended 31 March 2006

15. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.3.06	31.3.05
	£	£
Profit for the financial year	**11,033**	12,775
Net addition to shareholders' funds	**11,033**	12,775
Opening shareholders' funds	**3,091,292**	3,078,517
Closing shareholders' funds	**3,102,325**	3,091,292
Equity interests	**3,102,325**	3,091,292