Registered number: 03630555

CHARTRIDGE DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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CHARTRIDGE DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTORS	E G Thomson L A Thomson J C Smith
COMPANY NUMBER	03630555
REGISTERED OFFICE	Little Hampden Lodge Little Hampden Great Missenden Buckinghamshire HP16 9PS
AUDITOR	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor 64 Clarendon Road Watford Hertfordshire WD17 1DA
SOLICITORS	BP Collins Collins House 32-38 Station Road Gerrards Cross Buckinghamshire SL9 8EL

CHARTRIDGE DEVELOPMENTS LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements for the year ended 31 March 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

The group has seen the demand for high quality housing remain steady and expect the forthcoming year to be profitable despite the current economic housing market climates

RESULTS

The profit for the year, after taxation, amounted to £454,476 *(2010 - loss £34,921)*

DIRECTORS

The directors who served during the year were

E G Thomson
L A Thomson
J C Smith

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the company are fluctuations in the overall housing market and movement in the base rate of interest

FINANCIAL RISK MANAGEMENT

The company finances its operations through a combination of bank loans and director loans The maturity profile of the loans are matched with the expected development and sale period of the underlying properties

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

DISABLED EMPLOYEES

The company's policy is that, wherever it is practicable and reaosnable within existing legislation, all employees, including disabled persons are treated in the same way in matters relating to employment, training, career development and promotion Every effort is made to retain and assist any individuals disables during their employment Full and fair consideration is given to applications for employment made by disabled persons, havingregard to their particular aptitudes and abilities

PROVISION OF INFORMATION TO AUDITOR

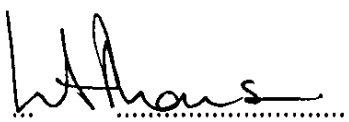
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

AUDITOR

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



L A Thomson
Director

Date 6/7/11

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHARTRIDGE DEVELOPMENTS LIMITED

We have audited the financial statements of Chartridge Developments Limited for the year ended 31 March 2011, set out on pages 5 to 14 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHARTRIDGE DEVELOPMENTS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Richard Malone ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

64 Clarendon Road
Watford
Hertfordshire
WD17 1DA

13 July 2011

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
TURNOVER	1,2	**8,803,224**	*9,694,822*
Cost of sales		**(7,393,731)**	*(8,721,680)*
GROSS PROFIT		**1,409,493**	*973,142*
Distribution costs		**(15,102)**	*(15,336)*
Administrative expenses		**(807,946)**	*(970,935)*
Other operating income	3	**10,650**	*9,797*
OPERATING PROFIT/(LOSS)	4	**597,095**	*(3,332)*
Interest receivable and similar income		**3,049**	*14,449*
Interest payable and similar charges		**(32)**	*(48,845)*
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**600,112**	*(37,728)*
Tax on profit/(loss) on ordinary activities	9	**(145,636)**	*2,807*
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	17	**454,476**	*(34,921)*

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 7 to 14 form part of these financial statements

CHARTRIDGE DEVELOPMENTS LIMITED
REGISTERED NUMBER. 03630555

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	10		**17,542**		*45,593*
CURRENT ASSETS					
Stocks	11	**4,786,529**		*6,141,156*	
Debtors	12	**2,482,016**		*67,090*	
Cash at bank and in hand		**543,176**		*29,616*	
		7,811,721		*6,237,862*	
CREDITORS: amounts falling due within one year	13	**(4,150,380)**		*(4,429,048)*	
NET CURRENT ASSETS			**3,661,341**		*1,808,814*
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,678,883**		*1,854,407*
CREDITORS: amounts falling due after more than one year	14		**(1,970,000)**		*(600,000)*
NET ASSETS			**1,708,883**		*1,254,407*
CAPITAL AND RESERVES					
Called up share capital	16		**1,025**		*1,025*
Profit and loss account	17		**1,707,858**		*1,253,382*
SHAREHOLDERS' FUNDS	18		**1,708,883**		*1,254,407*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

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J C Smith
Director

Date 6/7/11

The notes on pages 7 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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 applicable accounting standards

1.2 Turnover

Turnover represents the invoiced value of developments sold to third parties exclusive of VAT Properties are treated as sold on exchange of contracts

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

Office equipment, site equipment, fixtures and fittings	-	25-50% straight line
Motor vehicles	-	25-50% straight line

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.5 Cash flow

The company is a wholly owned subsidiary of Chartridge plc The cash flows of the company are included in the consolidated cash flow statement of Chartridge plc Consequently the company is exempt under the terms of FRS1 (revised) "Cash flow statements" from publishing a cash flow statement

2. TURNOVER

The whole of the turnover is attributable to the sale of properties

All turnover arose within the United Kingdom

3 OTHER OPERATING INCOME

	2011 £	2010 £
Other operating income	**4,167**	-
Rents receivable	**6,483**	*9,797*
	10,650	*9,797*

4 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	**31,747**	*37,328*
Operating lease rentals		
- other operating leases	**36,000**	*36,000*

5. AUDITORS' REMUNERATION

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	**15,500**	*16,500*
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	**1,500**	*2,500*

6 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	**490,789**	*664,690*
Social security costs	**90,147**	*79,108*
	580,936	*743,798*

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No
Administration and management	**8**	*8*

7 DIRECTORS' REMUNERATION

	2011 £	*2010 £*
Emoluments	**264,497**	*445,247*

The highest paid director received remuneration of £114,497 *(2010 - £157,750)*

8. INTEREST PAYABLE

	2011 £	*2010 £*
Bank interest charged to work in progress	**92,444**	*96,784*
Directors' loan interest charged to work in progress	**72,859**	*33,457*
Bank interest in profit and loss account	**32**	*32*
	-	*-*
	165,335	*130,273*

9. TAXATION

	2011 £	*2010 £*
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	**146,669**	*(2,807)*
Adjustments in respect of prior periods	**6,420**	*-*
Total current tax	**153,089**	*(2,807)*
Deferred tax (see note 15)		
Origination and reversal of timing differences	**(7,453)**	*-*
Tax on profit/loss on ordinary activities	**145,636**	*(2,807)*

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2010 - higher than)* the standard rate of corporation tax in the UK of 28% *(2010 - 21%)* The differences are explained below

	2011 £	*2010* £
Profit/loss on ordinary activities before tax	**600,112**	*(37,728)*
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% *(2010 - 21%)*	**168,031**	*(7,923)*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**-**	*5,116*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**538**	-
Capital allowances for year in excess of depreciation	**4,279**	-
Utilisation of tax losses	**(10,531)**	-
Adjustments to tax charge in respect of prior periods	**6,851**	-
Other differences leading to an increase (decrease) in the tax charge	**(16,079)**	-
Current tax charge/(credit) for the year (see note above)	**153,089**	*(2,807)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges

10 TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £
Cost				
At 1 April 2010	**19,889**	**127,529**	**10,712**	**27,069**
Additions	**2,161**	**-**	**-**	**1,535**
At 31 March 2011	**22,050**	**127,529**	**10,712**	**28,604**
Depreciation				
At 1 April 2010	**18,300**	**85,116**	**10,712**	**25,478**
Charge for the year	**2,030**	**28,633**	**-**	**1,084**
At 31 March 2011	**20,330**	**113,749**	**10,712**	**26,562**
Net book value				
At 31 March 2011	**1,720**	**13,780**	**-**	**2,042**
At 31 March 2010	*1,589*	*42,413*	*-*	*1,591*

	Total £
Cost	
At 1 April 2010	**185,199**
Additions	**3,696**
At 31 March 2011	**188,895**
Depreciation	
At 1 April 2010	**139,606**
Charge for the year	**31,747**
At 31 March 2011	**171,353**
Net book value	
At 31 March 2011	**17,542**
At 31 March 2010	*45,593*

11. STOCKS

	2011 £	*2010 £*
Work in progress	**4,786,529**	*6,141,156*

Properties in the course of development include £73,686 (2010 £349,411) of capitalised interest

12 DEBTORS

	2011 £	2010 £
Trade debtors	**2,432,288**	*21,530*
Corporation tax repayable	**-**	*2,807*
Other debtors	**23,143**	*22,456*
Prepayments and accrued income	**14,618**	*15,783*
Deferred tax asset (see note 15)	**11,967**	*4,514*
	2,482,016	*67,090*

13. CREDITORS.
Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	**3,563,384**	*3,836,455*
Trade creditors	**105,659**	*179,488*
Amounts owed to group undertakings	**29,716**	*29,716*
Amounts owed to other related companies	**2,000**	-
Corporation tax	**154,628**	-
Social security and other taxes	**34,184**	*68,892*
Directors' loans	**71,874**	*120,715*
Other creditors	**404**	-
Accruals and deferred income	**188,531**	*193,782*
	4,150,380	*4,429,048*

Interest is charged on the bank loans at LIBOR plus a margin of 2 - 2 5% above the bank's base rate The company's bankers hold a fixed and floating charge over the assets of the company
Interest is charged on the directors' loans at 5 - 7% (2010 5 - 7%) per annum, calculated on a monthly basis The loan has no fixed repayment date

14. CREDITORS:
Amounts falling due after more than one year

	2011 £	2010 £
Directors' loans	**1,970,000**	*600,000*

15. DEFERRED TAX ASSET

	2011 £	2010 £
At beginning of year	**4,514**	*6,749*
Released during/(charged for) year	**7,453**	*(2,235)*
At end of year	**11,967**	*4,514*

The deferred tax asset is made up as follows

	2011 £	2010 £
Accelerated capital allowances	**11,967**	*4,514*

16. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1,000 Ordinary Shares shares of £1 each	**1,000**	*1,000*
25 'A' Ordinary Shares shares of £1 each	**25**	*25*
	1,025	*1,025*

17 RESERVES

	Profit and loss account £
At 1 April 2010	**1,253,382**
Profit for the year	**454,476**
At 31 March 2011	**1,707,858**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	**1,254,407**	*1,289,328*
Profit/(loss) for the year	**454,476**	*(34,921)*
Closing shareholders' funds	**1,708,883**	*1,254,407*

19. OPERATING LEASE COMMITMENTS

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	*2010*
	£	*£*
Expiry date:		
Between 2 and 5 years	**36,000**	*36,000*

20 RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Chartridge Plc, the company has taken advantage of the exemption contained in FRS 8 'Related party transactions' and has therefore not disclosed transactions or balances with other group entities The consolidated financial statements of Chartridge Plc, within which the company is included, can be obtained from the address in note 21

During the previous year, Chartridge Investments LLP purchased a property for £2,250,000 from the Company Chartridge Investments LLP is owned by E G Thomson, L A Thomson and J C Smith

The following occurred between directors and the Company during the year

	2011	*2010*
	£	*£*
Opening directors' loans balance	**720,715**	*2,000,476*
Transfers to the company	**5,635,800**	*1,420,000*
Interest charged in year	**55,359**	*46,039*
Repayment to the directors	**(4,370,000)**	*(2,745,800)*
	2,041,874	*720,715*

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Chartridge Plc, a company registered in England and Wales Copies of the group financial statements of Chartridge Plc are available from Little Hampden Lodge, Little Hampden, Great Missenden, Buckinghamshire, HP16 9PS