

ASHFORD PROPERTY GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2006



Company Registration Number SC 224103

Tenon Limited
Accountants and Business Advisers
160 Dundee Street
Edinburgh
EH11 1DQ

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Balance Sheet and Profit and Loss Account	4
Notes to the Financial Statements	5

COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2006

DIRECTORS	E R Smith A R Smith
SECRETARY	MBM Secretarial Services Limited
REGISTERED OFFICE	107 George Street Edinburgh EH2 3ES
REGISTERED NUMBER	SC224103
AUDITORS	Tenon Audit Limited 160 Dundee Street Edinburgh EH11 1DQ
SOLICITORS	MBM Commercial LLP 107 George Street Edinburgh EH2 3ES

ASHFORD PROPERTY GROUP LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2006

The directors present their report with the financial statements of the company for the year ended 31 August 2006

DIRECTORS
The directors during the year under review were

E R Smith
A R Smith

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

	31/8/06	1/9/05
Ordinary £1 shares		
E R Smith	105	105
A R Smith		

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing 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 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

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS
On 4 June 2007, LWC Audit Limited resigned as auditors of the company Tenon Audit Limited were appointed by the directors with effect from 5 June 2007 to fill the resulting vacancy

Tenon Audit Limited will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985

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

ON BEHALF OF THE BOARD

E R Smith Director

29 June 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ASHFORD PROPERTY GROUP LIMITED

We have audited the financial statements of Ashford Property Group Limited for the year ended 31 August 2006 on pages four to six These financial statements have been prepared in accordance with 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 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 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
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two

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 Report of the Directors 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 Report of the Directors 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

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 August 2006, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Tenon Audit Limited

Tenon Audit Limited
160 Dundee Street
Edinburgh
EH11 1DQ

29 June 2007

ASHFORD PROPERTY GROUP LIMITED

BALANCE SHEET
31 AUGUST 2006

	Notes	31/8/06 £	£	31/8/05 £	£
FIXED ASSETS					
Investments	2		144,105		144,105
CREDITORS					
Amounts falling due within one year	3	144,000		144,000	
NET CURRENT LIABILITIES			(144,000)		(144,000)
TOTAL ASSETS LESS CURRENT LIABILITIES			105		105
CAPITAL AND RESERVES					
Called up share capital	4		105		105
SHAREHOLDERS' FUNDS			105		105

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

The financial statements were approved by the Board of Directors on 29 June 2007 and were signed on its behalf by

E R Smith Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2006

During the financial year and the preceding financial year the company has not traded and has received no income and incurred no expenditure Consequently, during those periods the company has made neither a profit nor a loss

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006

1 ACCOUNTING POLICIES

Basis of preparing the financial statements
The group has taken advantage of the exemption available for small groups from preparing group accounts

Accounting convention
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)

The company was dormant throughout the current year and previous period

Investments
Investments are stated at cost less any provision for permanent diminution in value

2 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 September 2005 and 31 August 2006	144,105
NET BOOK VALUE	
At 31 August 2006	144,105
At 31 August 2005	144,105

The company's investments at the balance sheet date in the share capital of companies include the following

Ashford Land Limited
Nature of business Dormant company

Class of shares	% holding
Ordinary shares	100 00

	31/8/06 £	31/8/05 £
Aggregate capital and reserves	153,032	153,032

Ashford Property Limited
Nature of business Construction and property development

Class of shares	% holding
Ordinary shares	100 00

	31/8/06 £	31/8/05 £
Aggregate capital and reserves		(25,850)
Profit for the year/period		58,744

continued

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 AUGUST 2006

2 FIXED ASSET INVESTMENTS continued

Ashford Estates Limited
Nature of business Property investment

Class of shares	% holding	31/8/06 £	31/8/05 £
Ordinary shares	100 00		
Aggregate capital and reserves			2,706,541
Loss for the year/period			(218,689)

The above investments are unlisted and are stated at cost less any provision for permanent diminution in value

3 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/06 £	31/8/05 £
Amounts due to group company	144,000	144,000
	144,000	144,000

4 CALLED UP SHARE CAPITAL

Authorised

Number	Class	Nominal value	31/8/06 £	31/8/05 £
1,000	Ordinary	£1	1,000	1,000

Allotted, issued and fully paid

Number	Class	Nominal value	31/8/06 £	31/8/05 £
105	Ordinary	£1	105	105

5 CONTINGENT LIABILITIES

During the year, the company provided a cross guarantee for the bank loans and overdrafts of the group companies The total amounts due by group companies to the company's bankers was £4,325,833 (2005 £3,822,751)

6 RELATED PARTY DISCLOSURES

Creditors (note 3) comprises an amount due to Ashford Land Limited The balance is interest free, unsecured and repayable on demand

7 ULTIMATE CONTROLLING PARTY

The ultimate controlling party throughout the period was E R Smith as the sole shareholder