WM C READE of ALDEBURGH LIMITED

REPORT OF THE DIRECTORS

Year Ended 30 June 2005

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COMPANIES HOUSE 02/02/2006

DIRECTORS

M S F Oakes
M S Oakes
Mrs V Oakes
J B Alexander (Appointed 1 July 2005)

The directors present their annual report and financial statements for the year ended 30 June 2005.

PRINCIPAL ACTIVITIES

The principal activities of the company are that of General Building and Brick Manufacturers.

COMPANY NUMBER

The registered company number is 00456521.

ACCOUNTS

The Balance Sheet of the company at 30 June 2005 and the Profit and Loss account for the year ended on that date are attached.

The profit for the year and its appropriation is as shown in the Profit and Loss Account.

No dividend was paid during the year.

FIXED ASSETS

Details of the changes in Fixed Assets are shown in Note 3 to the Accounts.

DIRECTORS' INTERESTS

The directors' beneficial interests in the company's issued Ordinary Share Capital were as follows:

	This Company		Holding Company
	30-6-05	30-6-04	30-6-05
M S F Oakes	-	-	550
M S Oakes	-	-	-
Mrs V Oakes	-	-	450
J B Alexander	-	-	-

ROTATION OF DIRECTORS

The director retiring by rotation in accordance with the Articles of Association is M S F Oakes and being eligible, offers himself for re-election.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors understand that:

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:

WM C READE of ALDEBURGH LIMITED

REPORT OF THE DIRECTORS (Continued)

Year Ended 30 June 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

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.

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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Tubbs Son Giles & Co have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

The Directors Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to Small Companies (s.246(8)).

BY ORDER OF THE BOARD

V Oakes

V OAKES
Secretary

Oakland House
Mobbs Way
LOWESTOFT
Suffolk
NR32 3AL

Date: 27 January 2006

INDEPENDENT AUDITORS REPORT TO SHAREHOLDERS OF

WM C READE OF ALDEBURGH LIMITED

We have audited the financial statements of Wm C Reade of Aldeburgh Limited for the year ended 30 June 2005 which are set out on pages 4 to 11. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 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 preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

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.

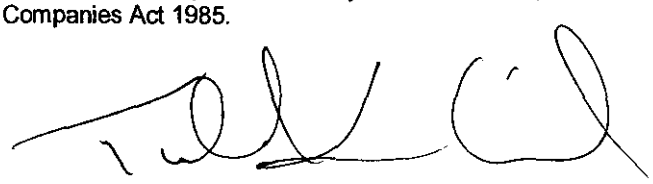
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of the state of the company's affairs as at 30 June 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



TUBBS SON GILES & CO
Registered Auditors

22/24 Suffolk Road
LOWESTOFT
Suffolk
NR32 1DZ

Date: 27 January 2006

WM C READE of ALDEBURGH LIMITED

PROFIT AND LOSS ACCOUNT

Year Ended 30 June 2005

	2005		2004	
	£	£	£	£
TURNOVER (Note 1b)		1,867,968		2,058,160
Direct cost of work done		(1,528,305)		(1,932,451)
GROSS PROFIT		339,663		125,709
Distribution Costs	(16,473)		(12,646)	
Administration Expenses	(133,604)		(152,581)	
		(150,077)		(165,227)
		189,586		(39,518)
Other Operating Income		-		13,109
OPERATING PROFIT/(LOSS) (Note 4)		189,586		(26,409)
Interest received		314		-
Interest payable (Note 12)		(12,729)		(7,616)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		177,171		(34,025)
Taxation (Note 14)		(38,995)		6,432
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AFTER TAXATION		138,176		(27,593)
RETAINED PROFIT brought forward		216,099		243,692
RETAINED PROFIT carried forward		354,275		216,099

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(LOSS)/PROFIT after taxation	138,176	(27,593)
Transfer to Revaluation Reserve	404,576	-
Depreciation on revalued property	14,643	(7,322)
TOTAL RECOGNISED (GAINS/LOSSES)	557,395	(34,915)

The Results for each year derive from continuing operations

WM C READE of ALDEBURGH LIMITED

BALANCE SHEET

As at 30 June 2005

	2005		2004	
	£	£	£	£
FIXED ASSETS				
Tangible Fixed Assets (Note 3)		1,471,064		1,037,930
CURRENT ASSETS				
Stocks and Work in Progress (Note 6)	343,065		584,683	
Debtors (Note 5)	361,266		306,587	
Cash at bank and in hand	449		652	
	704,780		891,922	
CREDITORS: *Amounts falling due within* one year (Note 7)	(459,486)		(773,242)	
NET CURRENT ASSETS		245,294		118,680
TOTAL ASSETS LESS CURRENT LIABILITIES		1,716,358		1,156,610
PROVISION FOR LIABILITIES AND CHARGES				
Deferred Taxation (Note 13)		(2,353)		-
		1,714,005		1,156,610
SHAREHOLDERS' FUNDS (Note 16)				
Called Up Share Capital (Note 2)		40,000		40,000
Revaluation Reserve		1,319,730		900,511
Profit and Loss Account		354,275		216,099
		1,714,005		1,156,610

The Financial Statements on pages 4 to 11 which have been prepared in accordance with the *special provisions of Part VII of the Companies Act 1985 applicable to small companies were* approved by the board on 27 January 2006 and signed on its behalf.

..... M S F OAKES Director

..... V OAKES Director

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS

Year Ended 30 June 2005

1. Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

b) Turnover

Turnover represents net invoiced sales of goods, excluding VAT and, in the case of long term contacts, the value of work done during the year.

c) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Buildings	-	2% straight line
Plant and Machinery	-	15% reducing balance method
Fixtures and Fittings	-	15% reducing balance method
Motor Vehicles	-	25% reducing balance method

No depreciation is provided on freehold land.

d) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Work in progress is valued at cost of direct materials and labour, plus a proportion of overheads and that proportion of the anticipated total profit on individual contracts which has fairly and reasonably been determined by reference to the progress of each contract, and due provisions for anticipated losses on contracts.

e) Pension Scheme

The company operates a defined contribution pension scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year.

f) Deferred Taxation

The balance on Deferred Taxation account represents Corporation Tax calculated at the small companies' rate in respect of timing differences. The full potential liability is the basis for provision.

2. The authorised and issued share capital of the company is 40,000 £1 ordinary shares which have been fully paid.

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS (Continued)

Year Ended 30 June 2005

3. Tangible Fixed Assets:

	Freehold Property £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 July 2004	1,028,424	99,429	29,531	132,544	1,289,928
Additions	-	-	1,362	4,825	6,187
Disposals	-	-	-	(11,624)	(11,624)
Revaluation	404,576	-	-	-	404,576
At 30 June 2005	1,433,000	99,429	30,893	125,745	1,689,067
Depreciation					
At 1 July 2004	31,879	92,643	19,533	107,943	251,998
Charge for the year	-	1,018	1,704	6,650	9,372
re Disposal	-	-	-	(11,488)	(11,488)
re Revaluation	(31,879)	-	-	-	(31,879)
At 30 June 2005	-	93,661	21,237	103,105	218,003
Net Book Values					
At 30 June 2005					
Historical Cost	113,270	5,768	9,656	22,640	151,334
Increase upon Revaluation	1,319,730	-	-	-	1,319,730
	1,433,000	5,768	9,656	22,640	1,471,064
At 30 June 2004	996,546	6,786	9,998	24,600	1,037,930

4. Operating Profit is after charging

	2005 £	2004 £
Depreciation	9,372	17,597
Auditors fees	5,700	5,744
Depreciation adjustment "Revalued Properties"	(17,236)	-
Loss on Disposal of fixed assets	135	-

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS (Continued)

Year Ended 30 June 2005

	2005 £	2004 £
5. Debtors		
Trade Debtors	346,930	286,968
Other Debtors	14,336	15,141
Deferred Taxation	-	4,478
	361,266	306,587
6. Stock and Work in Progress		
Work in progress less progress payments received (see below)	62,484	261,586
Building and Brickworks stock	280,581	323,097
	343,065	584,683
Contract costs in excess of progress payments		
Total cost of work in progress to date	62,484	279,535
Total progress payments received to date	-	(17,949)
Total work in progress	62,484	261,586
7. Creditors: Amounts falling due within one year		
Work in Progress – Progress Payments in excess of costs (see below)	-	11,484
Bank overdraft	149,414	477,159
Due to Associated Companies	50,163	23,277
Trade Creditors	120,937	144,220
PAYE and National Insurance	19,162	16,604
Other creditors and Accruals	87,647	100,498
Corporation Tax	32,163	-
	459,486	773,242
Progress Payments in excess of contract costs:		
Total Progress Payments receivable to date	-	77,677
Total Costs of Work in Progress to date	-	(66,193)
	-	11,484

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS (Continued)

Year Ended 30 June 2005

8. Staff Costs

	2005	2004
Average number of employees including directors employed by the company during the year	47	54
	£	£
Cost in respect of all employees:		
Wages and Salaries	858,795	927,970
Social Security Costs	73,399	76,177
Pension Scheme Contributions	8,875	8,140
	941,069	1,012,287

9. Bank Overdraft

The bank overdraft is secured by a legal charge over the Freehold property.

10. Contingent Liabilities

There were no contingent liabilities at 30 June 2005 or 30 June 2004.

11. Capital Commitments

There were no capital commitments at 30 June 2005 or 30 June 2004.

12. Interest Payable

	2005	2004
	£	£
On bank overdraft and loans	12,729	7,616

13. Deferred Taxation

	2005	2004
	£	£
The provision is calculated as follows:		
Balance brought forward	(4,478)	1,954
Transfer for year	6,831	(6,432)
Balance at 30 June 2005	2,353	(4,478)

The provision for deferred tax is made up of accelerated capital allowances less losses carried forward. No provision has been made for deferred tax of £340,000 arising on the revaluation. This amount would become payable in the event of the property being sold, but there are no plans to sell it in the foreseeable future.

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS (Continued)

Year Ended 30 June 2005

14. Taxation

	2005 £	2004 £
UK Corporation Tax - current year	32,163	-
- prior year	-	-
	32,163	-
Deferred tax charge - capital allowances less losses	6,832	(6,432)
	38,995	(6,432)

The tax assessed for the year is lower than the standard rate of UK taxation applicable to the Company of 30% (2004 19%). The differences are explained below:

Profit/(Loss) on ordinary activities	177,171	(34,025)
Profit on ordinary activities multiplied by standard rate of 30% (2004 19%)	53,151	(6,465)
Expenses not deductible for tax purposes	85	23
Depreciation for period in excess of capital allowances	(5,144)	(570)
Re Losses brought/carried forward	(11,072)	7,012
Marginal Relief	(4,857)	-
Current tax charge for the period	32,163	-

15. Revaluation Reserve

	2005 £	2004 £
Arising on the revaluation of freehold property		
At 1 July 2004	900,511	907,833
Depreciation during the year	-	(7,322)
Revaluation in Year	404,576	-
Depreciation written back	14,643	-
At 30 June 2005	1,319,730	900,511

The Freehold property at 70-74 High Street, Aldeburgh was valued on 24 August 2005 at £950,000 by Brown & Co. The Brickworks at Aldeburgh were valued at £483,000 by O A Chapman and Son, Chartered Surveyors on 16 December 2005.

WM C READE of ALDEBURGH LIMITED

NOTES TO THE ACCOUNTS (Continued)

Year Ended 30 June 2005

16. Reconciliation of Shareholders' Funds

	2005	2004
	£	£
(Loss)/Profit for the year	138,176	(27,593)
Shareholders' Funds brought forward	1,156,610	1,191,525
Depreciation on revaluation	14,643	(7,322)
Transfer to revaluation reserve	404,576	-
Shareholders' Funds carried forward	1,714,005	1,156,610

17. Pension Schemes

The company participates in defined contribution schemes for certain of its directors and employees.

The assets of these schemes are held separately from those of the company in independently administered funds. Contributions payable during the year amount to £8,875 (2004 - £8,140).

18. Ultimate Controlling Party

The company's ultimate controlling party is M S F Oakes Esq.

19. Holding Company

The whole of the share capital of Wm C Reade of Aldeburgh Limited was acquired on 28 February 1998 by M S Oakes Limited, a company incorporated in the United Kingdom.

20. Related Party Transactions

The related party transactions between this company and M S Oakes Limited, Brown and Sansom (East Anglia) Limited and Oakes Management Services Limited have not been listed by reason of the fact that the consolidated financial statements of M S Oakes Limited of which this company is a wholly owned subsidiary are publicly available.

21. Cash Flow Statement

The company has taken advantage of the exemption to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary and a consolidated cash flow statement is prepared by its parent company.