

Brookhouse (Poole) Limited

Annual report and financial statements
for the year ended 24 September 2006

Registered number 4828310

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Directors' report

For the year ended 24 September 2006

The directors present their annual report for the year ended 24 September 2006, together with the financial statements and auditors' report. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985.

Principal activities and business review

The principal activities of the company are property investment and management.

The results for the year are set out in the Profit and Loss account. The directors consider the results for the year to be satisfactory and look forward to the coming year with confidence.

Principal risks and uncertainties

The ongoing risks associated with the company's activities continue to be the valuation risk associated with the ownership of investment properties and the strength and quality of tenant demand for the properties being developed and held as investments. The company continues to manage these risks through active asset and tenant management initiatives.

All activities are currently conducted in sterling.

The company currently has no external line of credit and is dependent upon other related Group companies for funding.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that may be caused by the company's activities.

Employees

The company has no employees (refer to note 3 to these financial statements).

Health and safety

The company gives high priority to providing a safe and healthy working environment for all employees and contractors and is determined to maintain its good record for the preservation of health and safety.

Results and dividends

The results for the year, together with the movement on distributable reserves, were

	£'000
Retained profit, beginning of year	2,497
Profit for the financial year	933
Retained profit, end of year	<u>3,430</u>

The directors do not recommend the payment of a dividend (2005 - £Nil).

Directors' report (continued)
For the year ended 24 September 2006

Directors and their interests

The directors of the company during the year are shown below

J Hindle, Jnr (Chairman)
J Banfi
A Gardner

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

By order of the Board,



J P Banfi
Secretary

Mercury Way
Barton Dock Road
Trafford Park
Manchester
M41 7LY

21 March 2007

Directors' responsibilities

United Kingdom 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 as at the end of the financial year 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for establishing and maintaining the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

Independent Auditors' Report to the Members of Brookhouse (Poole) Limited

We have audited the financial statements of Brookhouse (Poole) Limited for the year ended 24 September 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the statement of accounting policies and the related notes 1 to 13. These financial statements have been prepared under 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 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

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 United Kingdom 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 report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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 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 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.

Independent auditors' report (continued)

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 24 September 2006 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

21 March 2007

Profit and loss account

For the year ended 24 September 2006

	Notes	2006 £'000	2005 £'000
Property and investment income	1	879	291
Other operating expenses (net)	2	(69)	(75)
Operating profit		810	216
Profit on sale of fixed assets		-	3,036
Interest receivable and similar income		-	1
Interest payable and similar charges		-	(2)
Profit on ordinary activities before taxation	3	810	3,251
Tax on profit on ordinary activities	4	123	(913)
Profit for the financial year transferred to reserves		933	2,338

A statement of movements in reserves is given in note 10 All activities have arisen from continuing operations

There are no cash flows in the year or the prior period, all transactions being settled via intercompany current account

Statement of total recognised gains and losses

For the year ended 24 September 2006

	2006 £'000	2005 £'000
Profit for the financial year	933	2,338
Revaluation surplus	829	-
Total recognised gains and losses for the financial year	1,762	2,338

Balance sheet
24 September 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	5	15,600	14,770
Current assets			
Debtors	6	10	-
Creditors Amounts falling due within one year	7	(8,300)	(9,367)
Net current liabilities		(8,290)	(9,367)
Total assets less current liabilities		7,310	5,403
Provisions for liabilities and charges	8	(145)	-
Net assets		7,165	5,403
Capital and reserves			
Called-up share capital	9	2,906	2,906
Profit and loss account	10	3,430	2,497
Revaluation reserve	10	829	-
Equity shareholders' funds	11	7,165	5,403

Signed on behalf of the Board



A Gardner
Director

21 March 2007

Statement of accounting policies

For the year ended 24 September 2006

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom law and accounting standards.

Investment properties

A valuation of investment properties is made annually as at the balance sheet date by an external firm of Chartered Surveyors at open market value. Changes in the market value of such assets are accounted for by way of a movement in revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual property is expected by the directors to be permanent, in which case the change in market value is charged (credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account.

In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the period would have been decreased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of the cost/value between land and buildings.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Statement of accounting policies (continued)

For the year ended 24 September 2006

Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Property and investment income

Property and investment income comprises rental income from properties excluding VAT.

Rental income from properties is recognised in the period to which it relates in accordance with the lease terms. Rent invoiced in advance is recognised in the profit and loss account in the following accounting period and treated as deferred income at the year end.

Service charge residual costs (arising from voids or inclusive rental arrangements) which are not recovered from tenants are included within other operating expenses.

Profit on sale of tangible fixed assets

Sales of tangible fixed assets are accounted for in the period in which contracts are completed. The profit (loss) on sale of tangible fixed assets represents sales proceeds less disposal costs and the carrying value of the asset at the time of disposal. The latter in the case of revalued assets represents the revalued amount.

Notes to financial statements
For the year ended 24 September 2006

1 Property and investment income

	2006 £'000	2005 £'000
Rental income	<u>879</u>	<u>291</u>

2 Other operating expenses (net)

	2006 £'000	2005 £'000
Property expenses	18	(2)
Administrative expenses	<u>51</u>	<u>77</u>
	<u>69</u>	<u>75</u>

Administrative expenses of £51,000 (2005 - £77,000) were recharged from fellow group undertakings

3 Profit on ordinary activities before taxation

There were no directors' emoluments, staff costs or non-audit fees during the year. The audit fees in respect of the company have been borne by another group company, Brookhouse Builders Limited.

Notes to financial statements (continued)

For the year ended 24 September 2006

4 Tax on profit on ordinary activities

The current tax credit for the year totals £123,000 (2005 charge £913,000)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	<u>810</u>	<u>3,251</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	243	975
Effects of		
Indexation reducing capital gains	-	(107)
Capital allowances	(62)	-
Deferred tax movement (note 8)	145	-
(Over) under provision from previous years	<u>(449)</u>	<u>45</u>
Current tax (credit) charge for year	<u>(123)</u>	<u>913</u>

The over-provision from previous periods relates to additional group relief received by the company

5 Tangible fixed assets

The movement on tangible fixed assets was

	Freehold investment properties £'000
Valuation	
Beginning of year	14,770
Additions	1
Revaluation	<u>829</u>
End of year	<u>15,600</u>
Net book value	
End of year	<u>15,600</u>
Beginning of year	<u>14,770</u>

Notes to financial statements (continued)

For the year ended 24 September 2006

5 Tangible fixed assets (continued)

Investment properties were revalued at 24 September 2006 by Lambert Smith Hampton, Chartered Surveyors, at open market value. The historic cost of the properties is £14,771,000 (2005 - £14,770,000)

6 Debtors

	2006 £'000	2005 £'000
Amounts falling due within one year		
Trade debtors	7	-
Prepayments and accrued income	3	-
	<u>10</u>	<u>-</u>

7 Creditors Amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	1	-
Amounts due to fellow group undertakings	8,288	9,307
Accruals and deferred income	11	60
	<u>8,300</u>	<u>9,367</u>

Amounts due to fellow group undertakings are unsecured, interest free and repayable on demand

8 Provisions for liabilities and charges

Deferred tax is provided as follows	2006 £'000	2005 £'000
Accelerated capital allowances	<u>145</u>	<u>-</u>

The movement on the deferred tax account is as follows

	£'000
Beginning of year	-
Charged to the profit and loss account (note 4)	<u>145</u>
End of year	<u>145</u>

Notes to financial statements (continued)
For the year ended 24 September 2006

9 Called-up share capital

	2006 £	2005 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
3,250,000 Non-Redeemable Preference shares of £1 each	3,250,000	3,250,000
	<u>3,251,000</u>	<u>3,251,000</u>
<i>Issued and fully-paid</i>		
1 Ordinary share of £1	1	1
2,905,561 Non-Redeemable Preference shares of £1 each	2,905,561	2,905,561
	<u>2,905,562</u>	<u>2,905,562</u>

The Non-Redeemable Preference shares carry no voting rights or dividend entitlements and have priority on a winding up over the ordinary shares

10 Reserves

The movement on reserves during the year was

	Revaluation Reserve £'000	Profit and loss account £'000
Beginning of year	-	2,497
Profit for the financial year	-	933
Revaluation surplus	829	-
End of year	<u>829</u>	<u>3,430</u>

11 Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
Profit for the financial year	933	2,338
Revaluation surplus	829	-
Net increase in shareholders' funds	<u>1,762</u>	<u>2,338</u>
Shareholders' funds, beginning of year	<u>5,403</u>	<u>3,065</u>
Shareholders' funds, end of year	<u>7,165</u>	<u>5,403</u>

Notes to financial statements (continued)

For the year ended 24 September 2006

12 Guarantees and other financial commitments

There are no capital commitments at 24 September 2006 (2005 - £Nil)

The company has granted a charge over its assets to secure a bank loan of £21,960,000 made to its holding company (2005 - £21,960,000)

13 Ultimate parent company and controlling party

The company's ultimate parent company is Aggregate Company S a r l , a company incorporated in Luxembourg

The ultimate controlling party of that company is the Aggregate Trust