

Company Registration No. 01847008 (England and Wales)

REDWOOD PROPERTY & TRADING COMPANY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

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Roger Lugg & Co

Chartered Accountants

Company Registration No. 01847008 (England and Wales)

REDWOOD PROPERTY & TRADING COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

REDWOOD PROPERTY & TRADING COMPANY LIMITED

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REDWOOD PROPERTY & TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO REDWOOD PROPERTY & TRADING COMPANY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 6, together with the financial statements of Redwood Property & Trading Company Limited for the year ended 30 June 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 audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 audit 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 246 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 sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other information

On 22 January 2007 we reported, as auditors of Redwood Property & Trading Company Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 June 2006, and our audit report was as follows:

"We have audited the financial statements of Redwood Property & Trading Company Limited for the year ended 30 June 2006 set out on pages 5 to 13. 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.

REDWOOD PROPERTY & TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO REDWOOD PROPERTY & TRADING COMPANY LIMITED (CONTINUED) UNDER SECTION 247B OF THE COMPANIES ACT 1985

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 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 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, and 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

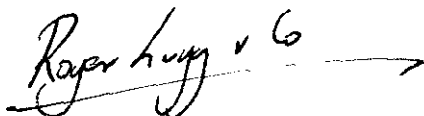
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had an external valuation been performed, 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 30 June 2006 and of its profit for the year then ended and 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.



Roger Lugg & Co

22 January 2007

Chartered Accountants
Registered Auditor

12 / 14 High Street
Caterham
Surrey
CR3 5UA

REDWOOD PROPERTY & TRADING COMPANY LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2006

| | Notes | 2006 £ | £ | 2005 £ | £ |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 2 | 11,270,237 | | 10,080,356 | |
| Investments | 2 | 22,214 | | 54,013 | |
| | | <u>11,292,451</u> | | <u>10,134,369</u> | |
| Current assets | | | | | |
| Stocks | | 188,061 | | 188,061 | |
| Debtors | | 9,493 | | 12,620 | |
| Cash at bank and in hand | | 663,011 | | 377,407 | |
| | | <u>860,565</u> | | <u>578,088</u> | |
| Creditors: amounts falling due within one year | 3 | <u>(1,874,221)</u> | | <u>(1,797,524)</u> | |
| Net current liabilities | | | <u>(1,013,656)</u> | | <u>(1,219,436)</u> |
| Total assets less current liabilities | | | 10,278,795 | | 8,914,933 |
| Creditors: amounts falling due after more than one year | 4 | | <u>(2,644,943)</u> | | <u>(2,731,328)</u> |
| | | | <u>7,633,852</u> | | <u>6,183,605</u> |
| Capital and reserves | | | | | |
| Called up share capital | 5 | | 330 | | 300 |
| Share premium account | | | 3,270 | | - |
| Revaluation reserve | | | 6,701,651 | | 5,339,321 |
| Profit and loss account | | | 928,601 | | 843,984 |
| Shareholders' funds | | | <u>7,633,852</u> | | <u>6,183,605</u> |

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

Approved by the Board for issue on 22 January 2007

T D W Glass
Director

REDWOOD PROPERTY & TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties that have been valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|---------------------------------------|
| Plant and machinery | No depreciation as fully written down |
| Fixtures, fittings & equipment | 20% straight line |

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock and work in progress

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

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. There is no provision for deferred taxation in the accounts, as it is immaterial in value.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

REDWOOD PROPERTY & TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2006

2 Fixed assets

| | Tangible assets £ | Investments £ | Total £ |
|--------------------------|-------------------------|------------------|------------|
| Cost or valuation | | | |
| At 1 July 2005 | 10,085,141 | 54,013 | 10,139,154 |
| Revaluation | 1,462,374 | - | 1,462,374 |
| Disposals | (272,374) | (31,799) | (304,173) |
| At 30 June 2006 | 11,275,141 | 22,214 | 11,297,355 |
| Depreciation | | | |
| At 1 July 2005 | 4,785 | - | 4,785 |
| Charge for the year | 119 | - | 119 |
| At 30 June 2006 | 4,904 | - | 4,904 |
| Net book value | | | |
| At 30 June 2006 | 11,270,237 | 22,214 | 11,292,451 |
| At 30 June 2005 | 10,080,356 | 54,013 | 10,134,369 |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held Class | % |
|--------------------------------|---|----------------------|--------|
| Subsidiary undertakings | | | |
| Oak Trading Company Limited | England & Wales | Ordinary | 100.00 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | | Capital and reserves 2006 £ | Profit for the year 2006 £ |
|-----------------------------|--|--------------------------------------|-------------------------------------|
| Oak Trading Company Limited | Principal activity Property development | 2,874,576 | 123,561 |

3 Creditors: amounts falling due within one year

The bank loans and overdrafts are secured by a fixed and floating charge over all the company's assets.

REDWOOD PROPERTY & TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2006

| | | | |
|----------|--|-------------|-------------|
| 4 | Creditors: amounts falling due after more than one year | 2006 | 2005 |
| | | £ | £ |

Analysis of loans repayable in more than five years

| | | |
|--|-----------|-----------|
| Total not repayable by instalments and due in more than five years | 1,004,649 | 1,004,649 |
|--|-----------|-----------|

| | | |
|--|-----------|-----------|
| Total amounts repayable by instalments which are due in more than five years | 1,312,294 | 1,414,679 |
|--|-----------|-----------|

The aggregate amount of creditors for which security has been given amounted to £3,792,252 (2005 - £3,909,794).

| | | | |
|----------|----------------------|-------------|-------------|
| 5 | Share capital | 2006 | 2005 |
| | | £ | £ |

Authorised

| | | |
|-------------------------------------|--------|--------|
| 10,000 Ordinary A shares of £1 each | 10,000 | 10,000 |
|-------------------------------------|--------|--------|

| | | |
|----------------------------------|-----|-----|
| 150 Ordinary B shares of £1 each | 150 | 150 |
|----------------------------------|-----|-----|

| | | |
|----------------------------------|-----|---|
| 150 Ordinary C shares of £1 each | 150 | - |
|----------------------------------|-----|---|

| | | |
|--|--------|--------|
| | 10,300 | 10,150 |
|--|--------|--------|

Allotted, called up and fully paid

| | | |
|----------------------------------|-----|-----|
| 150 Ordinary A shares of £1 each | 150 | 150 |
|----------------------------------|-----|-----|

| | | |
|----------------------------------|-----|-----|
| 150 Ordinary B shares of £1 each | 150 | 150 |
|----------------------------------|-----|-----|

| | | |
|---------------------------------|----|---|
| 30 Ordinary C shares of £1 each | 30 | - |
|---------------------------------|----|---|

| | | |
|--|-----|-----|
| | 330 | 300 |
|--|-----|-----|

During the year 30 ordinary 'C' shares of £1 each were issued at £110 per share to raise additional working capital.