Abito Limited

Report and Financial Statements

31 March 2005

Registered No: 04786470

Directors

S D Bate
L G Lang
K J Knott

Secretary

A Henderson

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Registered Office

Deansgate Quay
Deansgate
Manchester
M3 4LA

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Directors' report

The directors present their report and financial statements for the year ended 31 March 2005.

Results and dividends

The loss for the year to 31 March 2005 amounted to £136,673 (2004: £71,708). The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company is that of a property developer.

Directors and their interests

The directors and their interests who served the company during the year were as follows:

	31March 2005
Ordinary "B" £1 shares	No
S D Bate	-
L G Lang	150
K J Knott	-

There are no other directors' interests requiring disclosure under the Companies Act 1985. Mr K J Knott and Mr S D Bate have interests in the ordinary share capital of the ultimate parent company ASK Investments Limited. These interests are disclosed in the accounts of that company.

Auditors

The auditors, Ernst & Young LLP, are willing to continue in office. A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board

A Henderson
Secretary

2 June 2006

Statement of directors' responsibilities in respect of the financial statements

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 year. 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; 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 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.

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Independent auditors' report

to the members of Abito Limited

We have audited the company's financial statements for the year ended 31 March 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of 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 United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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.

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Independent auditors' report

to the members of Abito Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Manchester

6 June 2006

Profit and loss account

for the year ended 31 March 2005

	Notes	Year ended 31 March 2005 £	10 Months ended 31 March 2004 £
Turnover	2	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(136,673)	(71,708)
Operating loss	3	(136,673)	(71,708)
Loss on ordinary activities before taxation		(136,673)	(71,708)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	10	(136,673)	(71,708)

Statement of total recognised gains and losses

There are no recognised gains or losses other than the £136,673 loss (10 months ended 31 March 2004: loss of £71,708) attributable to the shareholders for the year ended 31 March 2005.

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Balance sheet
at 31 March 2005

	Notes	*2005* £	*2004* £
Current assets			
Stocks	6	1,372,363	112,894
Debtors	7	107,480	21,248
Cash at bank		130,231	1,685
		1,610,074	135,827
Creditors: amounts falling due within one year	8	1,817,455	206,535
Net current liabilities		(207,381)	(70,708)
Net liabilities		(207,381)	(70,708)
Capital and reserves			
Called up share capital	9, 10	1,000	1,000
Profit and loss account	10	(208,381)	(71,708)
Equity shareholders' deficit	10	(207,381)	(70,708)

These financial statements were approved by the board on 2 June 2006 and were signed on its behalf by:

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A Henderson
Director

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Notes to the financial statements

For the year ended 31 March 2005

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The parent company has pledged to provide continuing financial support and not to withdraw its loan funding for a period of at least one year from the date of signing the accounts unless the company's finances permit. It is therefore the opinion of the Directors' that the going concern concept remains applicable and have prepared the accounts accordingly.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company qualifies for small company exemptions.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted; and
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements
For the year ended 31 March 2005

2. Turnover

Sale of properties

Sales of property developments are shown as turnover in respect of all developments which have been completed. Turnover excludes value added tax and other sales taxes.

3. Operating loss

This is stated after charging:

	Year ended 31 March 2005	*10 Months ended 31 March 2004*
	£	*£*
Auditors' remuneration - audit services	775	775

4. Directors' emoluments and staff costs

Included within administrative expense is an amount of £65,417 (10 months ended 31 March 2004: £12,500) paid to a director of the company. The company employed no other staff during the year.

Notes to the financial statements

For the year ended 31 March 2005

5. Tax

(a) Tax on loss on ordinary activities

The tax (credit)/charge is made up as follows:

	Year ended 31 March 2005	*10 months ended 31 March 2004*
	£	*£*
Current tax:		
UK corporation tax (note 5(b))	-	-

(b) Factors affecting current tax charge

The differences are reconciled below:

	Year ended 31 March 2005	*10 months ended 31 March2004*
	£	*£*
Loss on ordinary activities before taxation	(136,673)	(71,708)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(41,002)	(21,512)
Expenses not deductible for tax purposes	1,265	1,058
Unrelieved tax losses carried forward	-	20,454
Group relief for which no payment is made	39,737	-
Total current tax (note 5(a))	-	-

The company has a deferred tax asset of £20,454 (2004: £20,454) resulting from tax losses carried forward, that can be offset against future profits. This asset has not been recognised on the grounds that the company's development is not sufficiently progressed, in order to gain the required assurance that the asset will be recovered. Future tax charges may be reduced as a result, should the company generate profits subject to taxation.

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Notes to the financial statements
For the year ended 31 March 2005

6. Stocks

	2005	*2004*
	£	*£*
Work in progress	1,372,363	112,894

7. Debtors

	2005	*2004*
	£	*£*
Other debtors	107,480	21,248

Included within other debtors is £150 due to Les Lang, a director of the company, in respect of unpaid share capital.

8. Creditors: amounts falling due within one year

	2005	*2004*
	£	*£*
Trade creditors	316,288	53,585
Amounts owed to parent undertaking	427,661	151,226
Amounts due to group companies	105,526	-
Accruals and deferred income	965,098	775
Other creditors	2,882	949
	1,817,455	206,535

Notes to the financial statements

For the year ended 31 March 2005

9. Share capital

		Authorised
	2005	*2004*
	£	*£*
850 Ordinary shares of £1 each	850	850
150 Ordinary "B" shares of £1 each	150	150
	1,000	1,000

		Allotted, called up and fully paid
	2005	*2004*
	£	*£*
850 Ordinary shares of £1 each	850	850
150 Ordinary "B" shares of £1 each	150	150
	1,000	1,000

The "B" shares rank pari passu with the ordinary shares.

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Notes to the financial statements

For the year ended 31 March 2005

10. Reconciliation of movements in shareholders' deficit and reserves

	Share capital £	*Profit and loss account* £	*Total* £
Upon incorporation	1,000	-	1,000
Loss for the period to 31 March 2004	-	(71,708)	(71,708)
At 1 April 2004	1,000	(71,708)	(70,708)
Loss for the financial year	-	(136,673)	(136,673)
At 31 March 2005	1,000	(208,381)	(207,381)

11. Ultimate parent company, controlling party and related party transactions

The company's immediate and ultimate parent undertaking is ASK Investments Limited, a company registered in England and Wales. ASK Investments Limited is the smallest and largest group preparing consolidated accounts that include the company. ASK Investments Limited is the ultimate controlling party.

Copies of the accounts of ASK Investments Limited can be obtained from Deansgate Quay, Deansgate, Manchester, M3 4LA.