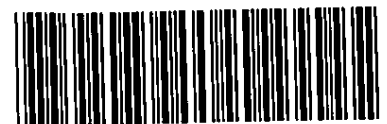


Company No. 3380704

**ESP ESTATES LIMITED**  
**REPORT OF THE DIRECTORS**  
**AND STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**COULTHARDS MACKENZIE**  
Chartered Accountants  
International House  
39-45 Bermondsey Street  
London SE1 3XF

SATURDAY



\*AICRUVBV\*

A44

08/12/2007

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COMPANIES HOUSE

**ESP ESTATES LIMITED**

**DIRECTORS**

M J Limpenny  
R P Moore

**JOINT SECRETARIES**

C Limpenny  
H Moore

**REGISTERED OFFICE**

Delaware Farmhouse  
Hever Road  
Edenbridge  
Kent  
TN8 7LD

**ESP ESTATES LIMITED**

**INDEX TO THE ACCOUNTS**

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Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Accounts	8 - 11

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**The following pages do not form part of the statutory accounts:**

Detailed Trading and Profit and Loss Account	( a )
----------------------------------------------	-------

**ESP ESTATES LIMITED**  
**REPORT OF THE DIRECTORS**

The directors present their report together with the accounts of the company for the year ended 30 June 2007

**Principal Activity**

The principal activity of the company is that of an Investment Company

**Business Review**

The company operates as a commercial landlord

**Directors**

The directors of the company during the year and their beneficial interests in the company's issued ordinary share capital were as follows

M J Limpenny

R P Moore

**Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)

Company law requires the directors to prepare accounts 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 accounts, the directors are required to

- 1) Select suitable accounting policies and then apply them consistently,
- 2) Make judgements and estimates that are reasonable and prudent,
- 3) Prepare the accounts 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 accounts 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

**ESP ESTATES LIMITED**  
**REPORT OF THE DIRECTORS**  
**(CONTINUED)**

**Statement as to Disclosure of Information to Auditors**


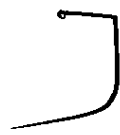
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

Coulthards Mackenzie were appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity

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

Signed on behalf of the  
board of directors

  
C Limpenny  
Company Secretary 

Approved by the Board      27/11/2007

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
ESP ESTATES LIMITED**

We have audited the financial statements of ESP Estates Limited for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 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**

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 in the Statement of Directors Responsibilities.

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 Directors' Report 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 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  
TO THE SHAREHOLDERS OF  
ESP ESTATES LIMITED  
(CONTINUED)**

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 13 to 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, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,
- 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

 27/11/2007

Coulthards Mackenzie  
Chartered Accountants  
Registered Auditors

International House  
39-45 Bermondsey Street  
London SE1 3XF

**ESP ESTATES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 £	2006 £
<b>Turnover</b>	2	415,031	149,718
<b>Net Operating Expenses</b>			
Interest Payable		(53,698)	(46,074)
Financial Expenses		(41,744)	(25,572)
Interest Receivable		5	758
<b>Operating Profit on Ordinary Activities Before Taxation</b>	3	319,594	78,830
Taxation	4	(38,457)	(9,851)
<b>Profit on Ordinary Activities After Taxation</b>			
<b>Being the Profit for the Financial Year</b>	10	<u>£ 281,137</u>	<u>£ 68,979</u>

**Continuing Operations**

All of the company's activities in the above two financial years derived from continuing operations



**ESP ESTATES LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Profit for the Financial Year</b>	281,137	68,979
Unrealised Surplus on Revaluation of Property Less Deferred Tax	-	1,003,015
<b>Total Gains Recognised Since Last Annual Report</b>	<u>£ 281,137</u>	<u>£ 1,071,994</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**FOR THE YEAR ENDED 30 JUNE 2007**

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material

**ESP ESTATES LIMITED**  
**BALANCE SHEET AS AT 30 JUNE 2007**

	Notes	2007	2006
		£	£
<b>Tangible Fixed Assets</b>	5	4,230,723	4,146,267
<b>Current Assets</b>			
Debtors	6	41,332	60,548
Cash at Bank and in Hand		45,586	29,550
		<u>86,918</u>	<u>90,098</u>
<b>Creditors</b>			
Amounts Falling Due Within One Year	7	<u>(1,968,660)</u>	<u>(1,398,521)</u>
<b>Net Current Liabilities</b>		<u>(1,881,742)</u>	<u>(1,308,423)</u>
<b>Total Assets Less Current Liabilities</b>		2,348,981	2,837,844
<b>Creditors</b>			
Amounts Falling Due After More Than One Year	8	(340,000)	(1,110,000)
Provision for Liabilities	9	<u>(235,000)</u>	<u>(235,000)</u>
		(575,000)	(1,345,000)
		<u>£ 1,773,981</u>	<u>£ 1,492,844</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	11	1,000	1,000
Revaluation Reserve	12	1,003,015	1,003,015
Profit and Loss Account	10	769,966	488,829
<b>Shareholders' Funds</b>	10	<u>£ 1,773,981</u>	<u>£ 1,492,844</u>

Approved by the Board of Directors on *27 November 2007*

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

R P Moore : ..... 

Director

# ESP ESTATES LIMITED

## NOTES TO THE ACCOUNTS AS AT 30 JUNE 2007

### 1 Accounting Policies

#### ( a ) Basis of Accounting

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold property and in accordance with applicable accounting standards

#### ( b ) Turnover

Turnover is derived from ordinary activities, stated after trade discounts, other sales taxes and net of Value Added Tax

#### ( c ) Depreciation

In accordance with Standard Statement of Accounting Practice No 19, no depreciation is provided on investment properties Other assets are depreciated at the following annual rates in order to write off each asset over its estimated useful life

Plane and equipment - 25% reducing balance basis

#### ( d ) Deferred Taxation

Deferred taxation is provided for in accordance with the requirements of FRS 19

### 2 Turnover

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom

### 3 Operating Profit

	2007 £	2006 £
The operating profit is stated after charging		
Auditors Remuneration	2,600	2,000

### 4 Taxation

	2007 £	2006 £
Corporation Tax on the Profits for the Year	45,143	9,851
Overprovision in prior years	(6,686)	-
	38,457	9,851
Profit on Ordinary Activities Before Taxation	319,594	78,830
Theoretical UK Corporation Tax at Rate of 19 25% (2006 19%)	61,522	14,977
Capital Allowances in excess of depreciation	(18,564)	(6,551)
Expenses not deductible for tax purposes	2,185	1,425
Current Tax Charge	45,143	9,851

**ESP ESTATES LIMITED**

**NOTES TO THE ACCOUNTS AS AT 30 JUNE 2007  
(CONTINUED)**

5	<b>Tangible Fixed Assets</b>	<b>Freehold Land £</b>	<b>Freehold Buildings £</b>	<b>Plant &amp; Equipment £</b>	<b>Total £</b>
	<b>Cost</b>				
	At 1 July 2006	750,000	3,396,267	-	4,146,267
	Additions	-	61,528	30,571	92,099
	Revaluation	-	-	-	-
	At 30 June 2007	<u>750,000</u>	<u>3,457,795</u>	<u>30,571</u>	<u>4,238,366</u>
	<b>Depreciation</b>				
	At 1 July 2006	-	-	-	-
	On Disposals	-	-	-	-
	Charge for the Year	-	-	7,643	7,643
	At 30 June 2007	<u>-</u>	<u>-</u>	<u>7,643</u>	<u>7,643</u>
	<b>Net Book Value</b>				
	At 30 June 2007	<u>750,000</u>	<u>3,457,795</u>	<u>22,928</u>	<u>4,230,723</u>
	At 30 June 2006	<u>750,000</u>	<u>3,396,267</u>	<u>-</u>	<u>4,146,267</u>

The company's recently acquired property is valued at cost as the directors do not consider that there has been any significant change in value in the period since construction. The company's other property was valued at 30 March 2005 to £2,100,000 by Allied Surveyors Chartered Surveyors.

**Historical Cost of Revalued Assets**

At 1 July 2006 and 30 June 2007

861,986

6	<b>Debtors</b>	<b>2007 £</b>	<b>2006 £</b>
	Trade Debtors	36,584	-
	Other Debtors	-	56,708
	Prepayments and Accrued Income	4,748	3,840
		<u>41,332</u>	<u>60,548</u>

**ESP ESTATES LIMITED**

**NOTES TO THE ACCOUNTS AS AT 30 JUNE 2007  
(CONTINUED)**

<b>7</b>	<b>Creditors: Amounts Falling Due Within One Year</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
	Rent in Advance	91,498	34,750
	Directors' Loans	1,709,686	1,280,085
	Accruals	13,013	9,694
	Corporation Tax	54,994	9,851
	Other Loan	20,000	-
	Value Added Tax	15,328	-
	Other Creditors	64,141	64,141
		<u>1,968,660</u>	<u>1,398,521</u>
<b>8</b>	<b>Creditors: Amounts Falling Due After More Than One Year</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
	Bank Loan	-	750,000
	Other Loan	340,000	360,000
		<u>340,000</u>	<u>1,110,000</u>
	Amounts Repayable by Instalments After 5 Years	<u>260,000</u>	<u>288,000</u>
The bank loan is secured    The other loan is unsecured			
<b>9</b>	<b>Provisions for Liabilities</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
	<b>Deferred Tax</b>		
	Amounts Set Against the Revaluation Reserve	<u>235,000</u>	<u>235,000</u>
Deferred tax has been provided in full on the property revaluation			

# ESP ESTATES LIMITED

## NOTES TO THE ACCOUNTS AS AT 30 JUNE 2007 (CONTINUED)

### 10 Shareholders' Funds

	<b>Called Up Share Capital</b>	<b>Revaluation Reserve</b>	<b>Profit and Loss Account</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 July 2006	1,000	1,003,015	488,829	1,492,844	420,850
Profit for the Year	-	-	281,137	281,137	68,979
Other Recognised Gains Relating to the Year (Net)	-	-	-	-	1,003,015
Balance at 30 June 2007	<u>1,000</u>	<u>1,003,015</u>	<u>769,966</u>	<u>1,773,981</u>	<u>1,492,844</u>

### 11 Called Up Share Capital

	<b>2007</b>		<b>2006</b>	
	<b>Number of Shares</b>	<b>£</b>	<b>Number of Shares</b>	<b>£</b>
<b>Authorised</b>				
Ordinary £1 Shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<b>Allotted, Called Up and Fully Paid</b>				
Ordinary £1 Shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 12 Revaluation Reserve

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Surplus on Revaluation	1,238,015	1,238,015
Deferred Tax on Revaluation Surplus	(235,000)	(235,000)
	<u>1,003,015</u>	<u>1,003,015</u>

### 13 Accountancy Services

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

### 14 Ultimate Controlling Party

The Ultimate Controlling Party at the balance sheet date was M J Limpenny