Corran (Wakefield) Limited

Abbreviated accounts

For the year ended 31 March 2007

Grant Thornton

Company No. 2961536

Company information

Registered office	Wakefield Lodge Estate POTTERSPURY Towcester Northamptonshire NN12 7QX
Director	J H Richmond-Watson
Secretary	S F Richmond-Watson
Bankers	National Westminster Bank plc Silbury House 300 Silbury Boulevard MILTON KEYNES MK9 2ZF
Solicitors	Hunters 9 New Square Lincoln's Inn LONDON WC2A 3QN
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Elgin House Billing Road NORTHAMPTON NN1 5AU

Index to the abbreviated accounts

Report of the director

The director presents his report and the financial statements of the company for the year ended 31 March 2007

Principal activities and business review

The principal activity of the company continues to be farming and property trading

Key performance indicators

The director uses the following KPIs to monitor the success of the business

- Increase in cash There has been an increase during the year of £1,761,227 (2006 - £376,033)

- Profit on ordinary activities before taxation The profit generated has increased to £9,555,771 (2006 - £7,461,740)

Results and dividends

The profit for the year, after taxation, amounted to £6,702,226 Particulars of dividends paid are detailed in note 6 to the financial statements

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements

Financial risk management objectives and policies

The company uses various financial instruments including loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

The main risks arising from the company's financial instruments are credit risk and liquidity risk The directors review and agree policies for managing each of these risks and they are summarised below

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

Credit risk

The company's principal financial assets are cash and debtors, the majority of which relate to participating interests

The director reviews the debtors ageing and assess debt collection in relation to the cash flow requirements of each group undertaking

The director and his interests in the shares of the company

The director who served the company during the year together with his beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 March 2007	At 1 April 2006
J H Richmond-Watson	-	-

The sole director is J H Richmond-Watson who served throughout the year

The company is a 67% subsidiary of Dunlin Limited The shareholdings of the director in that company are shown in that company's financial statements

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to 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 these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985 He is 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

In so far as the director is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985

BY ORDER OF THE BOARD

S Rich mond Wat

S F Richmond-Watson
Secretary

16 NOVEMBER 2007

Grant Thornton

Independent auditor's report to corran (wakefield) limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and the related notes, together with the financial statements of Corran (Wakefield) Limited for the year ended 31 March 2007 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 work has been undertaken so that we might state to the company those matters we are required to state to them in a special 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, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of director and auditor

The director is responsible for preparing the abbreviated accounts in accordance with Section 246A 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 Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you

Basis of 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 Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Northampton 7 December 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Turnover

Turnover is the total amount receivable by the company in respect of land sales following an exchange of contract

Stocks

Stock represents the cost of part ownership of properties held for resale

Stocks are stated at the lower of cost and net realisable value

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Investments

Investments are included at cost

Abbreviated profit and loss account

	Note	2007 £	2006 £
Gross profit		**9,678,635**	7,576,753
Other operating charges	1	**230,801**	255,256
Operating profit	2	**9,447,834**	7,321,497
Interest receivable		**210,109**	398,084
Interest payable and similar charges	4	**(101,972)**	(257,841)
Profit on ordinary activities before taxation		**9,555,971**	7,461,740
Tax on profit on ordinary activities	5	**2,853,745**	2,219,103
Profit for the financial year	14	**6,702,226**	5,242,637

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The accompanying accounting policies and notes form part of these abbreviated accounts.

Abbreviated balance sheet

	Note	2007 £	2006 £
Fixed assets			
Investments	7	**10,050**	10,050
Current assets			
Stocks	8	**2,839,660**	3,037,789
Debtors	9	**7,666,137**	7,362,955
Cash at bank		**6,899,664**	5,138,437
		17,405,461	15,539,181
Creditors: amounts falling due within one year	11	**2,060,433**	3,896,379
Net current assets		**15,345,028**	11,642,802
Total assets less current liabilities		**15,355,078**	11,652,852
Creditors: amounts falling due after more than one year	12	**6,000,000**	6,000,000
		9,355,078	5,652,852
Capital and reserves			
Called-up equity share capital	13	**150**	150
Profit and loss account	14	**9,354,928**	5,652,702
Shareholders' funds	15	**9,355,078**	5,652,852

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved and signed by the director on 16 NOVEMBER 2007

J H Richmond-Watson

Cash flow statement

	Note	2007 £	2006 £
Net cash inflow from operating activities	16	**11,573,366**	2,093,020
Returns on investments and servicing of finance			
Interest received		**210,109**	398,084
Interest paid		**(101,972)**	(289,335)
Net cash inflow from returns on investments and servicing of finance		**108,137**	108,749
Taxation		**(1,920,276)**	(2,290,423)
Equity dividends paid		**(6,000,000)**	(3,000,000)
Cash inflow/(outflow) before financing		**3,761,227**	(3,088,654)
Financing			
New amounts owed to group undertakings		**–**	3,464,687
Repayment of amounts owed to group undertakings		**(2,000,000)**	–
Net cash (outflow)/inflow from financing		**(2,000,000)**	3,464,687
Increase in cash	16	**1,761,227**	376,033

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Other operating charges

	2007	2006
	£	£
Administrative expenses	**230,801**	255,256

2 Operating profit

Operating profit is stated after charging

	2007	2006
	£	£
Director's emoluments	–	–
Auditor's remuneration		
Audit fees	**3,675**	3,510

3 Directors and employees

No salaries or wages have been paid to employees, including the director, during the year

4 Interest payable and similar charges

	2007	2006
	£	£
Other similar charges payable	**101,972**	257,841

5 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	**2,860,320**	2,226,659
Over provision in prior year	-	(7,556)
Total current tax	**2,860,320**	2,219,103
Deferred tax		
Origination and reversal of timing differences	**(6,575)**	-
Tax on profit on ordinary activities	**2,853,745**	2,219,103

5 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007	2006
	£	£
Profit on ordinary activities before taxation	**9,555,971**	7,461,740
Profit/(loss) on ordinary activities by rate of tax	**2,866,791**	2,238,522
Expenses not deductible for tax purposes	**(6,471)**	532
Group relief claimed	-	(12,395)
Adjustment to tax charge in respect of prior years	-	(7,556)
Total current tax (note 5(a))	**2,860,320**	2,219,103

6 Dividends

Dividends on shares classed as equity

	2007	2006
	£	£
Paid during the year		
Equity dividends on ordinary shares	**3,000,000**	3,000,000
Proposed at the year-end (recognised as a liability)		
Equity dividends on ordinary shares	-	3,000,000

7 Investments

	Shares in group undertakings	Other	Total
	£	£	£
Cost			
At 1 April 2006 and 31 March 2007	**10,000**	**50**	**10,050**
Net book value			
At 31 March 2007	**10,000**	**50**	**10,050**
At 31 March 2006	10,000	50	10,050

7 Investments (continued)

At 31 March 2007 the company held more than 20% of the ordinary share capital of the following undertakings, registered in England and Wales

	2007 £	2006 £
Aggregate capital and reserves		
Welfield Limited	**(711,048)**	(744,930)
Dunlin Developments Limited	**10,187**	10,187
Profit and (loss) for the year		
Welfield Limited	**33,881**	(57,579)
Dunlin Developments Limited	**–**	16

8 Stocks

	2007 £	2006 £
Finished goods	**2,839,660**	3,037,789

9 Debtors

	2007 £	2006 £
Trade debtors	**283,050**	594,099
Amounts owed by undertakings in which the company has a participating interest	**6,242,051**	6,564,796
Other debtors	**123,333**	183,333
Directors current accounts	**–**	6,667
Prepayments and accrued income	**1,011,128**	14,060
Deferred taxation (note 10)	**6,575**	–
	7,666,137	7,362,955

Included in the above figures are £Nil (2006 - £283,025) of debtors falling due after more than one year

10 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2007	2006
	£	£
Included in debtors (note 9)	6,575	-

The movement in the deferred taxation account during the year was

	2007
	£
Profit and loss account movement arising during the year	6,575
Balance carried forward	6,575

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007	2006
	£	£
Other timing differences	6,575	-

11 Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	19,928	67,727
Amounts owed to group undertakings	10,187	2,010,187
Corporation tax	1,646,197	706,153
VAT	39,938	78,724
Other creditors	344,183	1,033,588
	2,060,433	3,896,379

12 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Bank loans and overdrafts	6,000,000	6,000,000

The bank loan is secured by a fixed and floating charge over all of the companies assets

There is also a personal guarantee from J H Richmond-Watson limited to £50,000 and an unlimited guarantee from Dunlin Limited, the companies parent undertaking

13 Share capital

Authorised share capital

	2007	2006
	£	£
100,000 Ordinary shares of £1 each	**100,000**	100,000

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	**150**	**150**	150	150

14 Profit and loss account

	2007	2006
	£	£
Balance brought forward	**5,652,702**	6,410,065
Profit for the financial year	**6,702,226**	5,242,637
Equity dividends proposed	**–**	(3,000,000)
Equity dividends paid	**(3,000,000)**	(3,000,000)
Balance carried forward	**9,354,928**	5,652,702

15 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	**6,702,226**	5,242,637
Equity dividends proposed	**–**	(3,000,000)
Equity dividends paid	**(3,000,000)**	(3,000,000)
Net addition/(reduction) to shareholders' funds	**3,702,226**	(757,363)
Opening shareholders' funds	**5,652,852**	6,410,215
Closing shareholders' funds	**9,355,078**	5,652,852

16 Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2007	2006
	£	£
Operating profit	**9,447,834**	7,321,497
Decrease/(increase) in stocks	**198,129**	(378,596)
Increase in debtors	**(308,146)**	(2,712,410)
Increase/(decrease) in creditors	**2,235,549**	(2,137,471)
Net cash inflow from operating activities	**11,573,366**	2,093,020

16 Notes to the statement of cash flows (continued)

Reconciliation of net cash flow to movement in net funds

	2007	2006
	£	£
Increase in cash in the period	1,761,227	376,033
Net cash outflow from/(inflow) from amounts owed to group undertakings	2,000,000	(1,964,687)
	3,761,227	(1,588,654)
Change in net funds	3,761,227	(1,588,654)
Net debt at 1 April 2006	(2,871,750)	216,904
Net funds at 31 March 2007	889,477	(2,871,750)

Analysis of changes in net funds

	At 1 Apr 2006	Cash flows	At 31 Mar 2007
	£	£	£
Net cash			
Cash in hand and at bank	5,138,437	1,761,227	6,899,664
Debt			
Debt due within 1 year	(2,010,187)	2,000,000	(10,187)
Debt due after 1 year	(6,000,000)	–	(6,000,000)
	(8,010,187)	2,000,000	(6,010,187)
Net funds	(2,871,750)	3,761,227	889,477

17 Ultimate parent company

The directors consider that Dunlin Limited, the parent undertaking, is the company's controlling related party by virtue of its majority shareholding

The ultimate controlling related party of the company is J H Richmond-Watson as a result of his majority shareholding in Dunlin Limited