

ELMDENE ESTATES LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2005**

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*These pages do not form part of the statutory accounts of the Company.

Company Registration Number: 416519



ELMDENE ESTATES LIMITED**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2005**

The directors present their annual report and the audited accounts of the Company for the year ended 31st March 2005.

ACTIVITIES

The principal activity of the Company during the year was dealing in properties.

DIRECTORS

The directors who served during the year were Mr. E. J. Van Dooren, Mrs. S. Neville, Mrs. P. Crawford, Mrs. M. Goodwin, Miss. L. Van Dooren and Mrs. S. Van Dooren.

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are required by law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing those accounts, they are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and prepare the accounts on a going concern basis where appropriate. The directors are also responsible for maintaining adequate accounting records, safeguarding the assets of the Company, and for the prevention and detection of fraud and other irregularities.

DIRECTORS INTERESTS IN SHARES

The directors have no interests in the share capital of the Company.

Directors' interests in the share capital of the parent company, Belgravia Finance Co. (1990) Limited, were as follows:

	Ordinary Shares Held	
	At 31.03.2005	At 31.03.2004
Mr. E. J. Van Dooren	692,181	746,431
Mrs. S. Van Dooren	668,076	732,326
Miss. L. Van Dooren	579,102	579,102
Mrs. S. Neville	876,899	881,149
Mrs. M. Goodwin	544,458	544,458
E. J. Van Dooren and S. Van Dooren – Trustee Holding	644,500	526,000
Mrs. P. Crawford – Trustee Holding	215,090	215,090
Mrs. S. Neville – Trustee Holding	307,750	303,500

No rights to subscribe for shares in the Company were granted to or exercised by the directors or their families during the year.

DONATIONS

The Company made charitable donations of £2,638 during the year.

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

BY ORDER OF THE BOARD

E. J. Van Dooren
Secretary

3 August 2005

ELMDENE ESTATES LIMITED**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2005****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ELMDENE ESTATES LIMITED**

We have audited the financial statements of Elmdene Estates Limited for the year ended 31ST March 2005 which comprise the Profit and Loss Account, the Balance Sheet and the Related notes. These financial statements have been prepared under the historical cost convention and 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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 judgments 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.

Opinion

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



HELMORES
Chartered Accountants and Registered Auditors
Grosvenor Gardens House
35/37 Grosvenor Gardens
London SW1W 0BY

3 August 2005

ELMDENE ESTATES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2005

		2005	2004
	Note	£	£
TURNOVER		168,522	323,978
Cost of Sales		751	173,018
		<hr/>	<hr/>
GROSS PROFIT		167,771	150,960
Administrative Expenses		177,622	135,061
		<hr/>	<hr/>
		(9,851)	15,899
Other Operating Income		313,140	258,025
		<hr/>	<hr/>
OPERATING PROFIT	2	303,289	273,924
Interest Receivable		943	38
Interest Payable		141	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		304,091	273,962
Tax on Profit on Ordinary Activities		91,227	80,379
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		212,864	193,583
Dividends		194,780	194,780
		<hr/>	<hr/>
RETAINED PROFIT / (LOSS) FOR THE YEAR		18,084	(1,197)
Balance Brought Forward		354,049	355,246
		<hr/>	<hr/>
BALANCE CARRIED FORWARD		<u>372,133</u>	<u>354,049</u>

The Company made no recognised gains or losses in this or the preceding financial year other than the profit or loss for the year.

The notes on pages 5 to 7 form a part of these accounts.

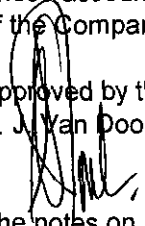

ELMDENE ESTATES LIMITED

BALANCE SHEET
AT 31ST MARCH 2005

		2005		2004	
	Notes	£	£	£	£
CURRENT ASSETS					
Stocks	4	1,428,917		1,297,467	
Debtors	5	86,111		94,800	
Cash at Bank and in Hand		18,007		115,718	
		<u>1,533,035</u>		<u>1,507,985</u>	
CREDITORS: Amounts Falling Due Within One Year	6	<u>1,031,049</u>		<u>1,024,083</u>	
NET CURRENT ASSETS			501,986		483,902
NET ASSETS			<u>501,986</u>		<u>483,902</u>
CAPITAL AND RESERVES					
Called Up Share Capital	7		129,853		129,853
Profit and Loss Account			372,133		354,049
SHAREHOLDERS FUNDS	9		<u>501,986</u>		<u>483,902</u>

These 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 on 3 August 2005
E. J. Van Dooren, S. Van Dooren - Directors

The notes on pages 5 to 7 form a part of these accounts.

ELMDENE ESTATES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2005****1. ACCOUNTING POLICIES****a) Accounting Convention**

The accounts have been prepared under the historical cost convention.

b) Stocks and Work in Progress

Stocks of dealing properties are valued at cost, comprising the purchase price of the property plus the related professional charges, and the cost of improvements carried out. Work in Progress comprises improvements to properties not yet completed, valued at cost.

c) Pension Schemes

The Company makes payments to defined contribution schemes for three of its directors. The amount charged in the accounts is the total of contributions payable to the schemes in the period.

2. OPERATING PROFIT

The following amounts have been included in arriving at the Operating Profit:

	2005 £	2004 £
Directors Emoluments	135,000	110,000
Auditors Remuneration	12,461	12,248

3. PENSION COSTS

The pension charge for the year was £Nil (2004 - £Nil). There were no outstanding or prepaid contributions at 31st March 2005.

4. STOCKS

	2005 £	2004 £
Dealing Properties	<u>1,428,917</u>	<u>1,297,467</u>

In the opinion of the Directors, the market value of Dealing Properties at 31st March 2005 was £13,404,250 (2004 - £11,806,750). A liability to corporation tax of approximately £3,000,000 (2004- £2,500,000) would arise on a simultaneous sale of the Dealing Properties at their market value.

ELMDENE ESTATES LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2005
(Continued)

5. DEBTORS

	2005	2004
	£	£
Trade Debtors	83,611	89,800
Others	2,500	5,000
	<u>86,111</u>	<u>94,800</u>

6. CREDITORS: Amounts Falling Due
Within One Year

	2005	2004
	£	£
Amounts Owed to Group Companies	716,000	683,000
Taxation and Social Security	92,542	81,473
Other Creditors	222,507	259,610
	<u>1,031,049</u>	<u>1,024,083</u>

7. SHARE CAPITAL

	2005	2004
	£	£
Authorised:		
130,000 Shares of £1 Each	<u>130,000</u>	<u>130,000</u>
Issued and Fully Paid:		
129,853 Shares of £1 Each	<u>129,853</u>	<u>129,853</u>

8. PARENT COMPANY

The Company is a wholly owned subsidiary of Belgravia Finance Co. (1990) Limited, a company incorporated in Great Britain. Belgravia Finance Co. (1990) Limited was the ultimate parent company at 31st March 2005.

ELMDENE ESTATES LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2005
(Continued)

9. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS

	2005 £	2004 £
Total Recognised Gains and Losses for the Year	212,864	193,583
Dividends	(194,780)	(194,780)
	<hr/>	<hr/>
Movement in Shareholders Funds	18,084	(1,197)
Opening Shareholders Funds	483,902	485,099
	<hr/>	<hr/>
Closing Shareholders Funds	501,986	483,902

10. RELATED PARTIES

At 31 March 2005 the company owed Belgravia Finance Co (1990) Limited, the parent company £716,000 (2004: £683,000). The loan does not attract any interest. The company is ultimately controlled by Mr. E. J. Van Dooren.

At 31 March 2005 the company owed two of its directors, Mr E.J.Van Dooren £254 (2004: £52,477) and Miss L.Van Dooren £nil (2004: £nil)

11. INTERESTS IN SHARE CAPITAL

A partner in the Company's auditors has a trustee holding in 1,167,340 shares in the parent company representing 25.67% of the issued share capital.

ELMDENE ESTATES LIMITED

TRADING AND PROFIT AND LOSS ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2005

	2005		2004	
	£	£	£	£
Sales of Properties		20,006		257,085
Premiums on Extension of Leases		<u>148,516</u>		<u>66,894</u>
		168,522		323,979
Opening Stock of Dealing Properties	1,297,468		1,470,486	
Purchases of Property	<u>132,199</u>		<u>-</u>	
	1,429,667		1,470,486	
Closing Stock of Dealing Properties	<u>(1,428,917)</u>		<u>(1,297,467)</u>	
COST OF SALES		<u>750</u>		<u>173,019</u>
GROSS PROFIT		167,772		150,960
OTHER INCOME				
Rents, Ground Rents and service charges receivable		<u>599,447</u>		<u>551,846</u>
EXPENDITURE				
Ground Rent	56		514	
General and Water Rates	2,822		1,135	
Agents Charges	74,408		68,100	
Repairs and Maintenance	164,185		174,200	
Legal Expenses and Surveys	20,255		19,018	
Insurance	24,581		30,854	
Provision for Doubtful Debts	<u>11,760</u>		<u>-</u>	
	<u>298,067</u>		<u>293,821</u>	
NET RENTAL INCOME		301,380		258,025
OTHER INCOME				
Bank Interest Received		<u>943</u>		<u>38</u>
		943		38
Carried Forward		<u>470,095</u>		<u>409,023</u>