

ELMDENE ESTATES LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2006**

CONTENTS

1. Report of the Directors.
2. Statement of Directors Responsibilities and Report of the Auditors.
3. Profit and Loss Account.
4. Balance Sheet.
- 5-7. Notes to the Accounts.
- 8-9. Trading and Profit and Loss Accounts.*

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



ELMDENE ESTATES LIMITED**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2006**

The Directors present their annual report and the audited accounts of the Company for the year ended 31st March 2006.

ACTIVITIES

The principal activity of the Company during the year was in dealing properties. The shareholders approved a final dividend of £194,780 during the year.

DIRECTORS

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

STATEMENT OF 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. In preparing those accounts, they are required to select suitable accounting policies and then apply them consistently, make judgments 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 of fraud and other irregularities. So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the 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.

DIRECTORS INTERESTS IN SHARES

The Directors had interests in the share capital of the Company, as follows:

	Ordinary Shares Held	
	At 31.03.2006	At 31.03.2005
Mr. E. J. Van Dooren	687,931	692,181
Mrs. S. Van Dooren	663,826	668,076
Miss L. Van Dooren	579,102	579,102
Mrs. S. Neville	572,649	876,899
Mrs. M. Goodwin	544,458	544,458
E. J. Van Dooren and S. Van Dooren - Trustee Holding	653,000	644,500
Mrs P. Crawford – Trustee holding	215,090	215,090
Mrs S Neville – Trustee holding	612,000	307,750

No rights to subscribe for shares in the company were granted to or exercised by the directors or their families 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

6 July 2006

ELMDENE ESTATES LIMITED**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2006**

We have audited the financial statements of Elmdene Estates Limited for the year ended 31st March 2006 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 (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 and whether 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 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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and in our opinion the information given in the directors' report is consistent with the financial statements.


HELMORES

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

6 July 2006

ELMDENE ESTATES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2006**

		2006	2005
	Note	£	£
TURNOVER		48,760	168,522
Cost of Sales		-	751
GROSS PROFIT		48,760	167,771
Administrative Expenses		169,449	177,622
		(120,689)	(9,851)
Other Operating Income		398,771	313,140
OPERATING PROFIT	2	278,082	303,289
Interest Receivable		161	943
Interest Payable		374	141
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		277,869	304,091
Tax on Profit on Ordinary Activities		82,753	91,227
PROFIT FOR THE FINANCIAL YEAR		195,116	212,864

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

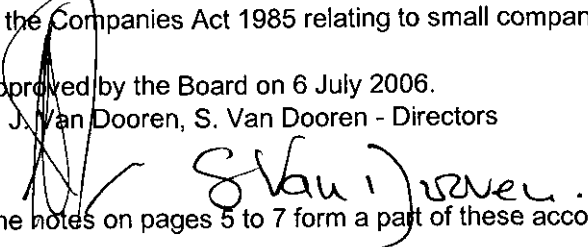
BALANCE SHEET
AT 31ST MARCH 2006

		2006		2005	
	Notes	£	£	£	£
CURRENT ASSETS					
Stocks	4	1,525,227		1,428,917	
Debtors	5	119,039		86,111	
Cash at Bank and in Hand		<u>19,337</u>		<u>18,007</u>	
		1,663,603		1,533,035	
CREDITORS: Amounts Falling Due Within One Year	6	<u>1,161,281</u>		<u>1,031,049</u>	
NET CURRENT ASSETS			502,322		501,986
NET ASSETS			<u>502,322</u>		<u>501,986</u>
CAPITAL AND RESERVES					
Called Up Share Capital	7		129,853		129,853
Profit and Loss Account	8		372,469		372,133
SHAREHOLDERS FUNDS	9		<u>502,322</u>		<u>501,986</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 6 July 2006.

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 2006****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:

	2006	2005
	£	£
Directors Emoluments	150,000	135,000
Auditors Remuneration	12,661	12,461

3. PENSION COSTS

The pension charge for the year was £Nil (2005 - £Nil). There were no outstanding or prepaid contributions at 31 March 2006.

4. STOCKS

	2006	2005
	£	£
Dealing Properties	<u>1,525,227</u>	<u>1,428,917</u>

In the opinion of the Directors, the market value of Dealing Properties at 31 March 2006 was £14,287,250 (2005- £13,404,250). A liability to corporation tax of approximately £3,200,000 (2005- £3,000,000) 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 2006
(Continued)****5. DEBTORS**

	2006	2005
	£	£
Trade Debtors	87,558	83,611
Others	31,481	2,500
	<u>119,039</u>	<u>86,111</u>

**6. CREDITORS: Amounts Falling Due
Within One Year**

	2006	2005
	£	£
Amounts Owed to Group Companies	849,000	716,000
Taxation and Social Security	84,067	92,542
Other Creditors	33,434	27,727
Proposed Dividend	194,780	194,780
	<u>1,161,281</u>	<u>1,031,049</u>

7. SHARE CAPITAL

	2006	2005
	£	£
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. PROFIT AND LOSS ACCOUNT

	2006	2005
	£	£
Profit for the Financial Year	195,116	212,864
Dividends	194,780	194,780
	<u>336</u>	<u>18,084</u>
Balance Brought Forward	372,133	354,049
Balance Carried Forward	<u>372,469</u>	<u>372,133</u>

ELMDENE ESTATES LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2006
(Continued)

9. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS

	2006 £	2005 £
Total Recognised Gains and Losses for the Year	195,116	212,864
Dividends	(194,780)	(194,780)
	<hr/>	<hr/>
Movement in Shareholders Funds	336	18,084
Opening Shareholders Funds	501,986	483,902
	<hr/>	<hr/>
Closing Shareholders Funds	502,322	501,986

10. 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 31 March 2006.

11. RELATED PARTIES

At 31 March 2006 the company owed Belgravia Finance Co (1990) Limited, the parent company £849,000 (2005: £716,000). The loan does not attract any interest. The company is ultimately controlled by Mr. E. J. Van Dooren.

12. INTERESTS IN SHARE CAPITAL

A partner in the Company's auditors has a trustee holding 1,480,090 shares in the parent company representing 32.54% of the issued share capital.