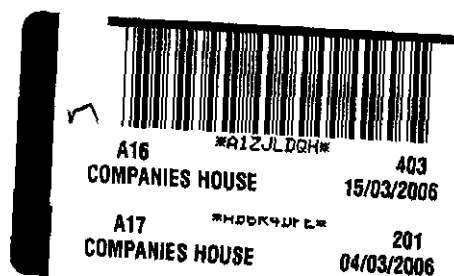


LONDON PROPERTY CONSTRUCTION LIMITED

COMPANY NO. 1029101

ACCOUNTS

YEAR ENDED 31ST DECEMBER 2004



LONDON PROPERTY CONSTRUCTION LIMITED

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LONDON PROPERTY CONSTRUCTION LIMITED

COMPANY INFORMATION

DIRECTORS:	D. Tahernia Esq. Dr. M.I. Janossa-Tahernia
SECRETARY:	D. Tahernia Esq.
COMPANY NUMBER:	1029101
REGISTERED OFFICE:	35 St. Crispins Close London NW3 2QF
BANKERS:	Allied Irish Bank Plc Kilburn Branch 103 Kilburn High Road London NW6 6JQ
ACCOUNTANTS:	Terence Gordon & Associates 34 Evelyn Road Cockfosters Barnet Herts EN4 9JT

LONDON PROPERTY CONSTRUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2004

The Directors present their Report and the Financial Statements for the year ended 31st December 2004.

Principal Activity

The principal activity of the company is to deal in Property. Such activities include purchases, disposals, conversions and lettings.

Results and Dividends

The results for the year are set out on Page 4.

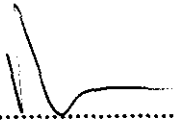
Directors and their Interests

The Directors who served during the year and their interests in the Company are as stated below:-

	<u>Ordinary Shares</u>	
	<u>31.12.04.</u>	<u>01.01.04.</u>
D. Tahernia Esq.	99	99
Dr. M.I. Janossa-Tahernia	1	1

This Report is prepared in accordance with the special Provisions of Part VII of the Companies Act 1985 relating to Small Companies.

This Report was approved by the board on 24th February 2006 and signed on its behalf by:-


.....
D. Tahernia
Secretary

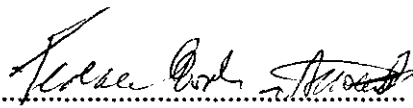
ACCOUNTANT'S REPORT TO THE MEMBERS

OF LONDON PROPERTY CONSTRUCTION LIMITED

YEAR ENDED 31st DECEMBER 2004

In accordance with your instructions we have prepared the attached Financial Statements on Pages 4 to 11 and confirm that they are in accordance with the company's books and records and from information and explanations provided to us by the Directors. We have not carried out an audit.

24/10/06
Date


Terence Gordon & Associates
34 Evelyn Road
Cockfosters
Barnet
HERTS
EN4 9JT

LONDON PROPERTY CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2004

	<u>Note</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
TURNOVER	2	40688	12813
Cost of Sales		<u>(770)</u>	<u>(4129)</u>
GROSS PROFIT		39918	8684
Administrative Expenses		<u>(8029)</u>	<u>(23451)</u>
OPERATING PROFIT/ (LOSS)	3	31889	(14767)
Profit on Sale of Fixed Assets		-	7500
Interest Receivable and Similar Income	4	-	830
Interest Payable and Similar Charges	5	<u>(29804)</u>	<u>(24397)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2085	(30834)
Tax on Profit on Ordinary Activities		-	-
NET PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		2085	(30834)
Dividend		<u>-</u>	<u>(20000)</u>
Retained Profits/(Loss) for the Year		2085	(50834)
Retained Profits brought forward 1st January 2004:-			
- As previously stated		537313	628147
- Prior year adjustment	6	<u>-</u>	<u>40000</u>
		537313	588147
Retained Profits carried forward 31st December 2004		<u>539398</u>	<u>537313</u>

The Notes on Pages 7 to 11 form an integral part of these Financial Statements.

LONDON PROPERTY CONSTRUCTION LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Tangible Assets	7	688739	689377
Investments	8	<u>330265</u>	<u>397710</u>
		1019004	1087087
<u>CURRENT ASSETS</u>			
Debtors	9	38425	22243
Cash at Bank & In Hand		<u>-</u>	<u>22851</u>
		38425	45094
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	10	<u>(69931)</u>	<u>(146768)</u>
<u>NET CURRENT LIABILITIES</u>		(31506)	(101674)
<u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>	11	<u>(448000)</u>	<u>(448000)</u>
		(479506)	(549674)
<u>NET ASSETS</u>		<u>539498</u>	<u>537413</u>
<u>CAPITAL & RESERVES</u>			
Called Up Share Capital	12	100	100
Profit & Loss Account	13	<u>539398</u>	<u>537313</u>
<u>SHAREHOLDERS FUNDS (EQUITY INTEREST)</u>	14	<u>539498</u>	<u>537413</u>

The Notes on Page 7 to 11 form an integral part of these Financial Statements.

LONDON PROPERTY CONSTRUCTION LIMITED

BALANCE SHEET (CONTINUED)


DIRECTORS' STATEMENTS REQUIRED BY SECTION 249B(4)
FOR THE YEAR ENDED 31ST DECEMBER 2004

In approving these Financial Statements as Directors of the Company we hereby confirm:

- (a) That for the year stated above the Company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) That no notice has been deposited at the Registered Office of the Company pursuant to Section 249B(2) requesting that an Audit be conducted for the year ended 31st December 2004: and
- (c) That we acknowledge our responsibilities for:
 - 1. Ensuring that the company keeps accounting records which comply with Section 221, and
 - 2. Preparing Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or Loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial Statements, so far as applicable to the Company.

These financial Statements are prepared in accordance with the Special Provisions of Part VII of the companies Act 1985 relating to Small Companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The Financial Statements were approved by the Board on 24th February 2006 and signed on its behalf by:-


D. Tahernia
Director

The Notes on Pages 7 to 11 form an integral part of these Financial Statements.

LONDON PROPERTY CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004

1. ACCOUNTING POLICIES

1.1. **Accounting Convention**

The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. **Turnover**

Turnover represents the total invoice value, excluding Value Added Tax, of sales made during the year.

1.3. **Tangible Fixed Assets and Depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each Asset over its expected useful life, as follows:

Plant & Machinery - 25% reducing balance
 Motor Vehicles - 25% reducing balance

No Depreciation is provided in respect of Freehold Property.

1.4. **Investments**

Fixed Asset Investments are stated at cost less provision of diminution in value.

1.5. **Stock & Work in Progress**

Stocks are valued at the lower of cost and net realisable value.

1.6. **Deferred Taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the Directors consider that a liability to taxation is unlikely to materialise.

2. TURNOVER

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the UK.

	<u>2004</u>	<u>2005</u>
<u>3. OPERATING PROFIT/(LOSS)</u>		
Operating Profit (2003:Loss) is stated after charging:		
Depreciation and other amounts written off tangible assets.	<u>£638</u>	<u>£1038</u>
<u>4. INTEREST RECEIVABLE AND SIMILAR INCOME</u>		
Bank Interest	<u>£ -</u>	<u>£ 830</u>

LONDON PROPERTY CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2004

	<u>2004</u>	<u>2005</u>
5. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
On loans and overdrafts	29688	23996
Interest on Overdue Tax	<u>116</u>	<u>401</u>
	<u>29804</u>	<u>24397</u>

6. PRIOR YEAR ADJUSTMENT

The Prior Year adjustment refers to an overstatement in the Accounts for the year ended 31st December 2002 in the amount shown as Profit on Sale of Fixed Assets.

7. TANGIBLE FIXED ASSETS

	<u>Freehold Properties</u> <u>£</u>	<u>Plant & Machinery</u> <u>£</u>	<u>Motor Vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>Cost</u>				
At 1st January 2004				
And as at 31st December 2004	<u>687223</u>	<u>7778</u>	<u>4760</u>	<u>699761</u>
<u>Depreciation</u>				
At 1st January 2004	-	6581	3803	10384
Charge for the year	<u>-</u>	<u>339</u>	<u>299</u>	<u>638</u>
As at 31st December 2004	<u>-</u>	<u>6920</u>	<u>4102</u>	<u>11022</u>
<u>Net Book Value</u>				
At 31st December 2004	<u>687223</u>	<u>858</u>	<u>658</u>	<u>688739</u>
At 31st December 2003	<u>687223</u>	<u>1197</u>	<u>957</u>	<u>689377</u>

The Company's Freehold Properties are charged to the Bank as security for loan advances.

LONDON PROPERTY CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2003 ²⁰⁰⁴

8. **FIXED ASSET INVESTMENTS**

	<u>Other Unlisted Investments</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
<u>Cost</u>		
At 1st January 2004	397710	397710
Increase in funds allocated to JV and Lysekil Properties Limited	-	-
Loan repayments by Son Vitamina SA	<u>(67445)</u>	<u>(67445)</u>
At 31st December 2004	<u>330265</u>	<u>330265</u>
<u>Net Book Values</u>		
At 31st December 2004	<u>330265</u>	<u>330265</u>
At 31st December 2003	<u>397710</u>	<u>397710</u>

	<u>Loans to Son Vitamina SA</u>	<u>Joint Venture With Lysekil Properties Ltd</u>
	<u>£</u>	<u>£</u>
Opening Balances	67445	330265
Repayment	(67445)	-
Funding of Joint Venture	<u>-</u>	<u>-</u>
Closing Balances	<u>-</u>	<u>330265</u>
	<u>2004</u>	<u>2003</u>

9. **DEBTORS**

Trade Debtors	488	-
Prepayments & Accrued Income	937	-
Other Debtors	<u>37000</u>	<u>22243</u>
	<u>38425</u>	<u>22243</u>

LONDON PROPERTY CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2004

	<u>2004</u>	<u>2003</u>
10. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Bank overdrafts and loans	9003	-
Trade Creditors	3600	2940
Directors' Accounts	55654	142035
Accruals and Deferred Income	<u>1674</u>	<u>1793</u>
	<u>£68931</u>	<u>£146768</u>
11. <u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>		
Bank Loans (Secured)	<u>£448000</u>	<u>£448000</u>
12. <u>SHARE CAPITAL</u>		
Authorised:		
100 Ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>
Allotted, Called Up and fully Paid	<u>£100</u>	<u>£100</u>
	<u> </u>	<u> </u>
13. <u>RESERVES</u>		
<u>Profit & Loss Account</u>		
At 1st January 2004	537313	588147
Retained Profit/(Loss) for the Year	<u>2085</u>	<u>(50834)</u>
At 31st December 2004	<u>539398</u>	<u>£537313</u>
14. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
Profit (Loss) for the Year,	2085	(30834)
Less: Dividends Paid	<u>-</u>	<u>(20000)</u>
	2085	(50834)
Opening Shareholders' Funds	<u>537413</u>	<u>588247</u>
	<u>£539498</u>	<u>£537413</u>

LONDON PROPERTY CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2004

15. RELATED PARTY TRANSACTIONS

Mr. D. Tahernia and Dr. M.J. Tahernia are both Directors of the company and the only Shareholders.

Mr. D. Tahernia is owed £65,654 by the Company (2003: £142035)

16. CONTROLLING INTEREST

The controlling interest in the company is Mr. D. Tahernia, who owns 99 out of the 100 shares.

17. JOINT VENTURES

These Accounts do not include the results of the company's participation in Joint Ventures in the year. The omission results from the board's inability to obtain Financial Statements in satisfactory form from those ventures. The responsibility of the financial affairs of the ventures was that the company's Joint Ventures Partners and action has been ongoing to secure proper compliance by those Partners.