

LONDON PROPERTY CONSTRUCTION LIMITED

COMPANY NO. 1029101

ACCOUNTS

YEAR ENDED 31ST DECEMBER 2005



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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 2005

The Directors present their Report and the Financial Statements for the year ended 31st December 2005.

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.

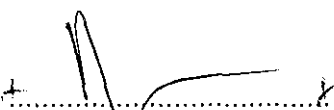
Directors and their Interests

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>01.01.05</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 6th October 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 2005

In accordance with the Engagement Letter dated 16 March 2006 and in order to assist you to fulfill your duties under the Companies Act 1985, we have compiled the Financial Statements of the Company which comprise the Profit & Loss Account, the Balance Sheet and the related Notes from the accounting records and information and explanations you have given to us.

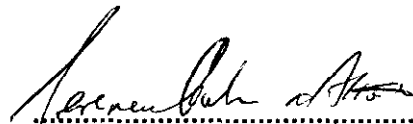
This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the Financial Statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Association of Accounting Technicians and have complied with the ethical guidance laid down by the Association relating to members undertaking the compilation of Financial Statements.

You have acknowledged on the Balance Sheet for the period ended 31st December 2005 your duty to ensure that the Company has kept accounting records and to prepare Financial Statements that give a true and fair view under the Companies Act 1985. You consider that the Company is exempt from the statutory requirement for an Audit for the year.

We have not been instructed to carry out an Audit of the Financial Statements. For this reason we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the Financial Statements.

16/10/06
.....
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 2005

	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
TURNOVER	2	43,863	40,688
Cost of Sales		(6,610)	(770)
GROSS PROFIT		<u>37,253</u>	<u>39,918</u>
Administrative Expenses		(16,490)	(8,029)
<u>OPERATING PROFIT</u>	3	<u>20,763</u>	<u>31,889</u>
Interest Payable and Similar Charges	4	(33,327)	(29,804)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(12,564)</u>	<u>2,085</u>
Tax on (Loss)/ Profit on Ordinary Activities	5	11	-
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(12,553)</u>	<u>2,085</u>
Retained Profits brought forward 1st January 2005		539,398	537,313
RETAINED PROFITS CARRIED FORWARD 31ST DECEMBER 2005		<u><u>526,845</u></u>	<u><u>539,398</u></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 2005**

	<u>Note</u>	<u>2005</u>	<u>2004</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	6	688,460	688,739
Investments	7	330,265	330,265
		<u>1,018,725</u>	<u>1,019,004</u>
<u>CURRENT ASSETS</u>			
Debtors	8	37,785	38,425
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	9	(81,565)	(69,931)
<u>NET CURRENT LIABILITIES</u>		<u>(43,780)</u>	<u>(31,506)</u>
<u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>	10	(448,000)	(448,000)
		<u>(491,780)</u>	<u>(479,506)</u>
<u>NET ASSETS</u>		<u>526,945</u>	<u>539,498</u>
<u>CAPITAL & RESERVES</u>			
Called Up Share Capital	11	100	100
Profit & Loss Account	12	526,845	539,398
<u>SHAREHOLDERS FUNDS (EQUITY INTEREST)</u>	13	<u>526,945</u>	<u>539,498</u>

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

LONDON PROPERTY CONSTRUCTION LIMITED

BALANCE SHEET (CONTINUED)

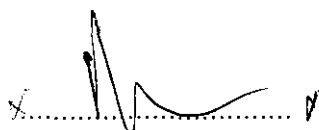
DIRECTORS' STATEMENTS REQUIRED BY SECTION 249B(4)
FOR THE YEAR ENDED 31ST DECEMBER 2005

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 2005; 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 16th October 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 2005

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>2005</u>	<u>2004</u>
3. <u>OPERATING Profit</u>		
Operating Profit is stated after charging:		
Depreciation and other amounts written off tangible assets	£279	£638
	<hr/>	<hr/>

LONDON PROPERTY CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2005

	<u>2005</u>	<u>2004</u>		
	£	£		
4. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>				
On Loans and Overdrafts	33,327	29,688		
Interest on Overdue Tax	-	116		
	<u>33,327</u>	<u>29,804</u>		
	<u><u>33,327</u></u>	<u><u>29,804</u></u>		
5. <u>TAXATION</u>				
Adjustment in respect of earlier years	11	-		
	<u>11</u>	<u>-</u>		
6. <u>TANGIBLE FIXED ASSETS</u>				
	<u>Freehold</u>	<u>Plant &</u>	<u>Motor</u>	
	<u>Properties</u>	<u>Machinery</u>	<u>Vehicles</u>	<u>Total</u>
	£	£	£	£
<u>Cost</u>				
At 1st January 2005				
and 31st December 2005	687,223	7,778	4,760	699,761
	<u>687,223</u>	<u>7,778</u>	<u>4,760</u>	<u>699,761</u>
<u>Depreciation</u>				
At 1st January 2005	-	6,920	4,102	11,022
Charge for the year	-	175	104	279
	<u>-</u>	<u>7,095</u>	<u>4,206</u>	<u>11,301</u>
As at 31st December 2005	-	7,095	4,206	11,301
	<u>-</u>	<u>7,095</u>	<u>4,206</u>	<u>11,301</u>
<u>Net Book Value</u>				
At 31st December 2005	687,223	683	554	688,460
	<u>687,223</u>	<u>683</u>	<u>554</u>	<u>688,460</u>
At 31st December 2004	687,223	858	658	688,739
	<u>687,223</u>	<u>858</u>	<u>658</u>	<u>688,739</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2005

7. FIXED ASSET INVESTMENTS

	<u>Other Unlisted Investments</u>	<u>Total</u>
	£	£
<u>Cost</u>		
At 1st January 2005	330,265	330,265
Increase in funds allocated to JV and Lysekil Properties Limited	-	-
At 31st December 2005	<u>330,265</u>	<u>330,265</u>
<u>Net Book Values</u>		
At 31st December 2005	<u>330,265</u>	<u>330,265</u>
At 31st December 2004	<u>330,265</u>	<u>330,265</u>
	<u>Joint Venture With Lysekil Properties Ltd.</u>	
	£	
Opening Balances	330,265	
Repayment	-	
Funding of Joint Venture	-	
Closing Balances	<u>330,265</u>	

	<u>2005</u>	<u>2004</u>
	£	£
8. <u>DEBTORS</u>		
Trade Debtors	250	488
Prepayments & Accrued Income	661	937
Associated Company	36,874	37,000
	<u>37,785</u>	<u>38,425</u>

Included in Debtors is the sum of £36,874 (2004: £37,000) due after more than one year.

LONDON PROPERTY CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2005

	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
9. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Bank Overdraft and Loans	12,874	9,003
Trade Creditors	2,430	3,600
Directors' Accounts	62,278	55,654
Accruals and Deferred Income	3,983	1,674
	<u>81,565</u>	<u>68,931</u>
10. <u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>		
Bank Loan (Secured)	<u>448,000</u>	<u>448,000</u>
11. <u>SHARE CAPITAL</u>		
Authorised:		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, Called Up and Fully Paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
12. <u>RESERVES</u>		
	<u>Profit & Loss</u>	
	<u>Account</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
At 1st January 2005	539,398	537,313
Retained (Loss)/Profit for the Year	(12,553)	2,085
At 31st December 2005	<u>£526,845</u>	<u>£539,398</u>
13. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
(Loss)/Profit for the Year	(12,553)	2,085
Opening Shareholders' Funds	<u>539,498</u>	<u>537,413</u>
	<u>526,945</u>	<u>539,498</u>

LONDON PROPERTY CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2005

14. 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 £62,278 by the Company (2004: £55,654).

15. CONTROLLING INTEREST

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

16. 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.