

FLECKSUN LIMITED

2336329

REPORT OF THE DIRECTORS' AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28TH SEPTEMBER 2003



GEORGE HAY & COMPANY

Chartered Accountants
Registered Auditors83 Cambridge Street,
Pimlico,
London. SW1V 4PS

FLECKSUN LIMITED
COMPANY INFORMATION

DIRECTORS	C. Edwick (Resigned 28 th June 2003) J. Spragg J. Akins G. Tuckett D. Salvesen M. J. Rainer R. C. H. Mak A. Brooke R. Irani
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SECRETARY	A. Brooke
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REGISTERED OFFICE	83 Cambridge Street, Pimlico, London. SW1V 4PS
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REGISTERED NUMBER	2336329
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AUDITORS	George Hay & Company, Chartered Accountants, Registered Auditors, 83 Cambridge Street, Pimlico, London. SW1V 4PS
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FLECKSUN LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 28th September 2003.

PRINCIPAL ACTIVITY

The company's principal activity is that of a property holding company.

DIRECTORS

The directors at 28th September 2003 were as follows:

J. Spragg
J. Akins
G. Tuckett
C. Edwick (Resigned 28th June 2003)
D. Salvesen
M. J. Rainer
R. C. H. Mak
R. Irani (appointed 1st July 2003)
A. Brooke

None of the directors have any interest in the share capital of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

AUDITORS

The auditors, George Hay & Company, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

This report has been 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
9th March 2004 and signed on its behalf:



.....Director
M. J. Rainer

FLECKSUN LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF FLECKSUN LIMITED

We have audited the financial statements of Flecksun Limited for the year ended 28th September 2003 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.

Respective Responsibilities of Directors and Auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of Directors 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 director's remuneration and transactions with the company is not disclosed.

We read the Report of the Directors 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 judgements 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.

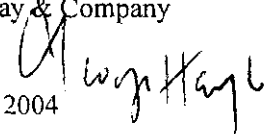
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 28th September 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

George Hay & Company

9th March 2004



Registered Auditors

Chartered Accountants

FLECKSUN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH SEPTEMBER 2003

	Notes	2003	2002
Operating Income		11,180	11,180
Administrative Expenses		(11,875)	(11,621)
Operating Loss	2	<u>(695)</u>	<u>(441)</u>
Other Income - Deeds of Variation and Lease Extensions		-	50,000
Commission Income		-	22
Interest Receivable	3	568	1,249
(Loss)/Profit on Ordinary Activities before Tax		<u>(127)</u>	<u>50,830</u>
Tax on (Loss)/ Profit on Ordinary Activities	4	-	(10,539)
(Loss)/Profit on Ordinary Activities after Tax		<u>(127)</u>	<u>40,291</u>
Balance brought forward		55,057	14,766
Balance carried forward		<u>£ 54,930</u>	<u>£ 55,057</u>

The notes form part of these financial statements

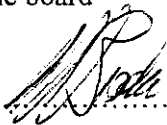
FLECKSUN LIMITED

BALANCE SHEET AS AT 28TH SEPTEMBER 2003

	Notes	2003	2002
FIXED ASSETS			
Freehold Property	5	8,822	8,822
CURRENT ASSETS			
Debtors	6	56,764	66,805
CREDITORS: Amounts Falling Due Within One Year	7	(656)	(10,570)
NET CURRENT ASSETS		56,108	56,235
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 64,930	£65,057
CAPITAL AND RESERVES			
Share Capital	9	2	2
Profit and Loss Account		54,930	55,057
Share Premium Account		9,998	9,998
SHAREHOLDERS' FUNDS	8	£64,930	£65,057

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

On behalf of the board

.......... Director
A. Brooke

Approved by the board on 9th March 2004
The notes form part of these financial statements

FLECKSUN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH SEPTEMBER 2003

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Freehold Property

No depreciation has been provided on the freehold property as it is the policy of the company to maintain the property in such a condition by means of repairs and renovation that no diminution in value occurs. In addition to this, in the opinion of the directors the market value far exceeds the cost as shown in note 5.

1.3 Turnover

Turnover represents ground rents receivable from the lessees of Delaware Mansions.

2. OPERATING LOSS

	2003 £	2002 £
This has been arrived at after charging:		
Auditors' Remuneration	656	632
	<u>=====</u>	<u>=====</u>

3. INTEREST RECEIVABLE

	2003 £	2002 £
Bank Interest	575	1,249
Interest on Corporation Tax Paid	(7)	-
	<u>-----</u>	<u>-----</u>
	568	1,249
	<u>=====</u>	<u>=====</u>

4. TAXATION

	2003 £	2002 £
UK Corporation	-	9,914
Under/(over)provision of Corporation Tax in prior year	-	625
	<u>-----</u>	<u>-----</u>
	-	10,539
	<u>=====</u>	<u>=====</u>

5. FIXED ASSETS

Freehold Property - Delaware Mansions, Delaware Road, London, W9. This includes flat 2 which is used by the caretaker.

Cost at 29th September 2002 and 28th September 2003	<u>£8,822</u>
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FLECKSUN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH SEPTEMBER 2003

6.	DEBTORS		
	Amounts Receivable Within One Year		
		2003	2002
		£	£
	Cash Held by Managing Agents	541	52,967
	Amount due from Parent Company	46,309	13,838
	Sundry Debtor	9,914	-
		<u>56,764</u>	<u>66,805</u>
7.	CREDITORS		
	Amounts Falling Due Within One Year		
		2003	2002
		£	£
	Corporation Tax	-	9,914
	Sundry Accruals	656	656
		<u>656</u>	<u>10,570</u>
8.	MOVEMENT ON SHAREHOLDERS' FUNDS		
		2003	2002
		£	£
	(Loss)/Profit for the Year	(127)	40,291
	Opening Shareholders' Funds	5 5,057	24,766
	Closing Shareholders' Funds	<u>5 4,930</u>	<u>65,057</u>
9.	SHARE CAPITAL		
		2003	2002
		No.	No.
	Authorised:		
	100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
		£	£
	Issued and Fully Paid:		
	2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>
10.	PARENT COMPANY		

The company is a wholly owned subsidiary undertaking of Delaware Mansions Limited, a company incorporated in England. This is a management company, run on behalf of the lessees of Delaware Mansions, Delaware Road, London, W9.