

428,000

Lucrum Holdings Limited

Report and Accounts
30 June 2004

Rees Pollock
Chartered Accountants



LUCRUM HOLDINGS LIMITED**Directors**

C F Dymond
S A Walker
M Davidson

Secretary

M F Carter

Auditors

Rees Pollock
35 New Bridge Street
London
EC4V 6BW

Bankers

Bank of Scotland
14/16 Cockspur Street
London
SW1Y 5BL

Solicitors

Stephen Lake Gilbert & Paling
4 John Street
London
WC1N 2EH

Registered Office

4th Floor
35 New Bridge Street
London
EC4V 6BW

Company Number

4652869

LUCRUM HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 30 June 2004. The company was incorporated on 30 January 2003 as Hallco 870 Limited and changed its name to Lucrum Holdings Limited on 26 March 2003.

Results and dividends

The loss after tax for the period was as shown in the attached accounts.

The directors do not recommend the payment of a dividend.

Principal activities

The principal activity of the company is that of a holding company. During the period the company purchased the entire issued share capital of London & Paris Estates Limited, a company providing management services to property trading and development companies.

Directors and their interests

The directors of the company during the period and their beneficial interest in the ordinary share capital of the company were:

		Ordinary £1 shares
C F Dymond	(appointed 25 June 2003)	450
S A Walker	(appointed 25 June 2003)	250
M Davidson	(appointed 25 June 2003)	50

H L Directors Limited were appointed as directors on 30 January 2003, for the purposes of incorporation only, and resigned on 25 June 2003.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 these accounts the directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume 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 accounts 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 of fraud and other irregularities.

LUCRUM HOLDINGS LIMITED**DIRECTORS' REPORT***(continued)***Auditors**

Rees Pollock have been appointed as the company's first auditors and have expressed their willingness to continue in office. A resolution to reappoint them for the ensuing year will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'M F Carter', with a small dot at the end.

M F Carter
Secretary

23 November 2004

**REES POLLOCK**

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LUCRUM HOLDINGS LIMITED**

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 the directors and the auditors

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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. Our responsibilities do not extend to any other information.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 2004 and of the loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Rees Pollock
Chartered Accountants
Registered Auditor

24 November 2004

LUCRUM HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2004**

	Note	£
TURNOVER		-
Administrative expenses		(19)

OPERATING LOSS		(19)
Interest receivable		7

LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(12)
Tax on ordinary activities	2	-

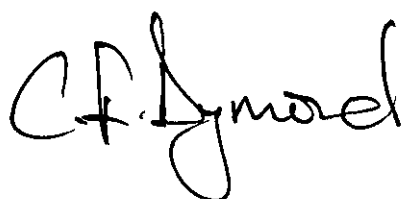
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(12)
		=====

There were no recognised gains or losses in the period other than those shown above.

All activities are classed as continuing.

LUCRUM HOLDINGS LIMITED**BALANCE SHEET AT 30 JUNE 2004**

	Note	£
FIXED ASSETS		
Investments	3	156,718
CURRENT ASSETS		
Cash at bank		935
Creditors: amounts falling due within one year	4	(156,715)
NET CURRENT LIABILITIES		<u>(155,780)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>938</u>
CAPITAL AND RESERVES		
Called up share capital	5	950
Profit and loss account	6	(12)
EQUITY SHAREHOLDERS FUNDS	6	<u>938</u>



C F Dymond
Director

23 November 2004

LUCRUM HOLDINGS LIMITED**NOTES TO THE ACCOUNTS AT 30 JUNE 2004****1. ACCOUNTING POLICIES****Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Investments

Investments are shown at cost less provision for any diminution in value.

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

Group accounts

The company and its subsidiary comprise a small group and hence have taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The company has taken advantage of the exemption provided by FRS1 from preparing a cash flow statement on the grounds that the company is small.

2. TAX ON ORDINARY ACTIVITIES**a) Analysis of charge in the period**

£

Current tax: corporation tax

-

b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 30%.

£

Loss on ordinary activities before taxation

(12)

Loss on ordinary activities at 30%
Unused losses

(4)
4

Total current tax (note 2(a))

-

LUCRUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 30 JUNE 2004

3. INVESTMENTS

	Shares in group companies £	Shares in related companies £	Total £
Cost:			
Additions	156,715	3	156,718
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2004	156,715	3	156,718
	<u> </u>	<u> </u>	<u> </u>

The investments in group undertakings made in the period represents a 100% interest in the share capital of London and Paris Estates Limited, a company which has share capital consisting solely of ordinary shares and is registered in England and Wales. London and Paris Estates Limited provides management services specifically to property companies.

Group accounts are not required as the group qualifies as a small group. The draft accounts for the subsidiary reported the following at 30 June 2004.

<i>Name of company</i>	<i>Aggregate capital and reserves £</i>	<i>Profit for year £</i>
London and Paris Estates Limited	145,219	88,856
	<u> </u>	<u> </u>

The shares in related companies represents a 1% holding in each of Royal Exchange Holdings Limited, Luxury Retails Destinations Limited and Luxury Retail Holdings Limited, companies with directors in common with Lucrum Holdings Limited. All of the companies are incorporated in England and Wales.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Amounts owed to group companies	156,715
	<u> </u>

5. SHARE CAPITAL

	No.	Authorised £	No.	Issued, called up fully paid £
Ordinary shares of £1 each	1,000	1,000	950	950
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

2 Ordinary shares were issued on incorporation at par. A further 948 ordinary shares were issued on 25 June 2003 at par.

LUCRUM HOLDINGS LIMITED**NOTES TO THE ACCOUNTS AT 30 JUNE 2004****6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	Share capital £	Profit and loss account £	Shareholders funds £
Issue of shares	950	-	950
Retained loss for the period	-	(12)	(12)
	-----	-----	-----
At 30 June 2004	950	(12)	938
	=====	=====	=====

7. RELATED PARTY TRANSACTIONS

During the period the company borrowed £150,000 from its subsidiary, London and Paris Estates Limited in order to purchase 100% of the shares in that company.

Also during the period, London and Paris Estates paid invoices totalling £6,715 for the company.

All amounts remained outstanding at the year-end.