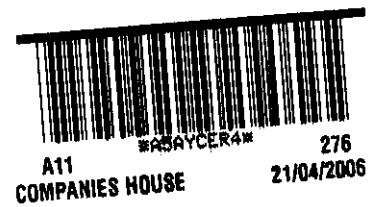


4652869

Lucrum Holdings Limited

Report and Accounts
30 June 2005



Rees Pollock
Chartered Accountants

LUCRUM HOLDINGS LIMITED**Directors**

C F Dymond
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 year ended 30 June 2005.

Results and dividends

The profit for the year, after taxation, amounted to £156,980 (2004: £12 loss).

The directors do not recommend the payment of a dividend.

Principal activities

The principal activity of the company is that of a holding company. The company owns 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 year and their beneficial interest in the ordinary share capital of the company were:

	Ordinary £1 shares	
	30 June 2005	30 June 2004
C F Dymond	450	450
M Davidson	50	50

S A Walker resigned 31 May 2005.

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 expressed their willingness to continue in office and 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', written in a cursive style.

M F Carter
Secretary

7 April

2006

**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 2005 and of the profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Rees Pollock
Chartered Accountants
Registered Auditor

7 April 2006

LUCRUM HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2005**

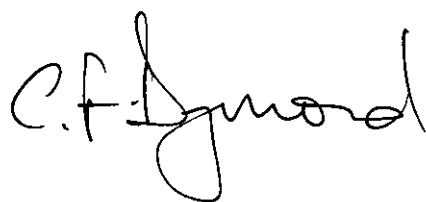
	Note	2005 £	2004 £
TURNOVER		—	—
Administrative expenses		(45)	(19)
OPERATING LOSS		(45)	(19)
Interest receivable		25	7
Dividends receivable		157,000	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		156,980	(12)
Tax on ordinary activities	2	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	156,980	(12)

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

All activities are classed as continuing.

LUCRUM HOLDINGS LIMITED**BALANCE SHEET AT 30 JUNE 2005**

	Note	2005 £	2004 £
FIXED ASSETS			
Investments	3	156,718	156,718
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	4	285	—
Cash at bank		915	935
		<hr/>	<hr/>
		1,200	935
Creditors: amounts falling due within one year	5	—	(156,715)
		<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		1,200	(155,780)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		157,918	938
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	6	950	950
Profit and loss account	7	156,968	(12)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS FUNDS	7	157,918	938
		<hr/>	<hr/>



C F Dymond
Director

7 April

2006

LUCRUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 30 JUNE 2005

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 year

	2005 £	2004 £
Current tax: corporation tax	—	—

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2004: 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	156,980	(12)
Profit on ordinary activities at 30%	47,094	(4)
Non taxable income	(47,100)	—
Unused losses	6	4
Total current tax (note 2(a))	—	—

LUCRUM HOLDINGS LIMITED**NOTES TO THE ACCOUNTS AT 30 JUNE 2005****3. INVESTMENTS**

	Shares in group companies £	Shares in related companies £	Total £
At Cost:			
At 30 June 2004 and 2005	156,715	3	156,718

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

Group accounts are not required as the group qualifies as a small group. The accounts for the subsidiary reported the following at 30 June 2005:

<i>Name of company</i>	<i>Aggregate capital and reserves £</i>	<i>Profit for year £</i>
London & Paris Estates Limited	137,857	130,992

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 were incorporated in England and Wales.

4. DEBTORS

	2005 £	2004 £
Amounts due from group companies	285	—

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Amounts owed to group companies	—	156,715

LUCRUM HOLDINGS LIMITED**NOTES TO THE ACCOUNTS AT 30 JUNE 2005****6. SHARE CAPITAL**

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

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	Share capital £	Profit and loss account £	Shareholders funds £
At 30 June 2004	950	(12)	938
Retained profit for the year	—	156,980	156,980
At 30 June 2005	<u>950</u>	<u>156,968</u>	<u>157,918</u>