

**REGISTRAR OF
COMPANIES**

J F Ashton Limited

Report and Financial Statements

Period Ended

28 February 2004



BDO

BDO Stoy Hayward
Chartered Accountants

100-443886-100

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Directors

Paul W Nicholson
Eli A Shahmoon

Secretary and registered office

Paul W Nicholson, 180 Brompton Road, London, SW3 1HQ

Company number

114709

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

Report of the directors for the period ended 28 February 2004

The directors present their report together with the audited financial statements for the period ended 28 February 2004.

Results

The profit and loss account is set out on page 5 and shows the profit for the period.

Principal activities

The company's principal activity is that of land ownership and rental of property.

Directors

The directors of the company during the period were:

Malcolm J Ablett (resigned 31 March 2003)
Paul W Nicholson
Eli A Shahmoon

No director had any beneficial interest in the share capital of the company. Their interests in the shares of the ultimate parent company are disclosed in the accounts of that company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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.

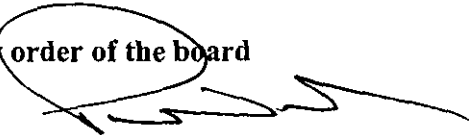
Report of the directors for the period ended 28 February 2004 (Continued)

Auditors

HLB AV Audit Plc resigned as auditors of the company and BDO Stoy Hayward LLP were appointed as auditors of the company by the directors during the period. BDO Stoy Hayward LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Paul W Nicholson

Secretary

Date: 22/12/2004

To the shareholders of J F Ashton Limited

We have audited the financial statements of J F Ashton Limited for the period ended 28 February 2004 on pages 5 to 13 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Directors' Report 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 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 report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

London

Date: 22/12/04.

Profit and loss account for the 18 months ended 28 February 2004

	Note	18 months ended 28 February 2004 £	Year ended 31 August 2002 £
Turnover	2	140,355	96,494
Cost of sales		94,202	66,670
Gross profit		46,153	29,824
Administrative expenses		507,990	9,565
Operating (loss)/profit	3	(461,837)	20,259
Profit on disposal of fixed assets		3,462,291	831,572
Profit on ordinary activities before interest and other income		3,000,454	851,831
Other interest receivable and similar income		800	84
Profit on ordinary activities before taxation		3,001,254	851,915
Taxation on profit on ordinary activities		449,546	-
Profit on ordinary activities after taxation		2,551,708	851,915

All amounts relate to continuing activities.

There are no movements in shareholders' funds in the current period and prior year apart from the profit for the period/year.

The notes on pages 8 to 13 form part of these financial statements.

Statement of total recognised gains and losses for the period ended 28 February 2004

	18 months ended 28 February 2004 £	Year ended 31 August 2002 As restated £
Profit for the financial period/year	2,551,708	851,915
Unrealised surplus on revaluation of properties	2,016,107	3,382,833
Total recognised gains and losses for the financial period/year	4,567,815	4,234,748
Prior year adjustment	3,382,833	
Total gains and losses recognised since last financial statements	7,950,648	

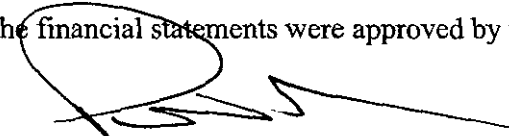
The notes on pages 8 to 13 form part of these financial statements.

J F Ashton Limited
Balance sheet at 28 February 2004

	Note	28 February 2004 £	28 February 2004 £	31 August 2002 As restated £	31 August 2002 As restated £
Fixed assets					
Tangible assets	4		6,684,500		5,442,500
Current assets					
Debtors-due within one year	5	45,217		29,893	
Debtors-due after more than one year	5	14,436,696		10,469,737	
Total debtors		14,481,913		10,499,630	
Creditors: amounts falling due within one year	6	469,731		57,430	
Net current assets			14,012,182		10,442,200
Total assets less current liabilities			20,696,682		15,884,700
Creditors: amounts falling due after more than one year	7		2,060,395		1,816,228
			18,636,287		14,068,472
Capital and reserves					
Called up share capital	8		9,357		9,357
Share premium account	9		7,068,000		7,068,000
Revaluation reserve	9		5,398,940		3,382,833
Profit and loss account	9		6,159,990		3,608,282
Equity shareholders' funds	10		18,636,287		14,068,472

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 22/12/2004


 Paul W Nicholson
 Director

The notes on pages 8 to 13 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements" not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

Turnover

Turnover represents rental and other property related income arising during the year, net of VAT.

Land

Freehold land is stated at the lower of cost and net realisable value. No depreciation is provided in respect of freehold land.

Investment properties

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Sale of land

Sales are recognised at the time of legal completion of the transaction.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating (loss)/profit

	18 months ended 28 February 2004 £	Year ended 31 August 2002 £
This is arrived at after charging:		
Audit services	6,750	4,500
Non-audit services	3,000	4,400
	<u> </u>	<u> </u>

4 Tangible fixed assets

	Freehold Investment land bank £
<i>Cost or valuation</i>	
At 1 September 2002 as originally stated	2,059,667
Prior year adjustment	3,382,833
	<u> </u>
At 1 September 2002 as restated	5,442,500
Additions	2,308,630
Disposals	(3,082,737)
Revaluations	2,016,107
	<u> </u>
At 28 February 2004	6,684,500
	<u> </u>
At 31 August 2002 as restated	5,442,500
	<u> </u>

During the period the directors are of the opinion that the prior year classification of the freehold land does not correctly reflect the nature of assets. It has therefore been reclassified as investment land bank.

The investment land bank is being treated in accordance with SSAP 19.

The historic cost of investment land bank included at valuation is £1,285,560 (2002: £2,059,667).

The investment land bank was revalued on the basis of open market value at 28 February 2004 by the directors of the company.

No provision has been made for a tax liability arising if investment properties were sold at their revalued amounts as the directors believe that they have sufficient capital losses to offset any gains.

5 Debtors

	28 February 2004 £	31 August 2002 £
Amounts receivable within one year		
Trade debtors	23,941	5,425
Other debtors	21,276	24,468
	<u>45,217</u>	<u>29,893</u>
Amounts receivable after more than one year		
Amounts owed by group undertakings	14,436,696	10,469,737
	<u>14,481,913</u>	<u>10,499,630</u>
Total debtors	<u>14,481,913</u>	<u>10,499,630</u>

6 Creditors: amounts falling due within one year

	28 February 2004 £	31 August 2002 £
Trade creditors	1,227	11,638
Corporation tax	449,546	-
Other taxation and social security	2,019	5,868
Other creditors	16,939	39,924
	<u>469,731</u>	<u>57,430</u>
	<u>469,731</u>	<u>57,430</u>

7 Creditors: amounts falling due after more than one year

	28 February 2004 £	31 August 2002 £
Amounts owed to group undertakings	2,060,395	1,816,228

No formal arrangements exist for the repayment of the amounts owed to group undertakings.

These group companies have provided confirmation that the amounts will not be called in within twelve months from the balance sheet date. Accordingly the amounts owing have been classified as creditors due after one year. Interest is not charged on the balances.

8 Share capital

	28 February 2004 £	31 August 2002 £
<i>Authorised</i>		
<i>Equity share capital</i>		
100,322 ordinary shares of 25p each	25,080	25,080
	<u>25,080</u>	<u>25,080</u>
	28 February 2004 £	31 August 2002 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
37,427 ordinary shares of 25p each	9,357	9,357
	<u>9,357</u>	<u>9,357</u>

9 Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 September 2002 as previously stated	7,068,000	-	3,608,282
Prior year adjustment	-	3,382,833	-
At 1 September 2002 as restated	7,068,000	3,382,833	3,608,282
Revaluation surplus	-	2,016,107	-
Profit for the period	-	-	2,551,708
At 28 February 2004	7,068,000	5,398,940	6,159,990

10 Reconciliation of movements in shareholder's funds

	18 months ended 28 February 2004 £	Year ended 31 August 2002 As restated £
Profit for the period	2,551,708	851,915
Other net recognised gains and losses relating to the period	2,016,107	3,382,833
Net additions to shareholder's funds	4,567,815	4,234,748
Opening shareholder's funds as previously stated	10,685,639	9,833,724
Prior year adjustment	3,382,833	-
Opening shareholder's funds as restated	14,068,472	9,833,724
Closing shareholder's funds	18,636,287	14,068,472

11 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by O&H Capital Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

12 Ultimate parent company

The immediate parent company is City & James Property Holdings Limited, a company registered in England and Wales. The ultimate parent company is O&H Capital Limited, a company registered in England and Wales.

Copies of the consolidated financial statements of O&H Capital Limited are available from Companies House.

13 Prior year adjustment

The freehold land has been re-classified as investment land bank and is treated consistently with investment properties in accordance with SSAP 19, as the land is not being used for the benefit of the company and is held with the intention to generate future rental income.

The details of the historic costs and valuations are as follows:

28 February 2004 - Cost £1,285,560 Directors valuation £6,684,500

31 August 2002 - Cost £2,059,667 Directors valuation £5,442,500

There has been no effect on the profit and loss account however the bought forward revaluation reserve has increased by £3,382,833..