

LEALANS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The Directors submit their report and financial statements for the year ended 31 March 2005.

RESULTS

The net profit for the year ended 31 March 2005 was £25,998.

The Directors do not recommend the payment of a dividend and the profit for the year has been transferred to retained profits. Retained profits of £711,481 are carried forward.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of holding properties as investments.

FIXED ASSETS

The movements in fixed assets are shown in Note 5 to the financial statements.

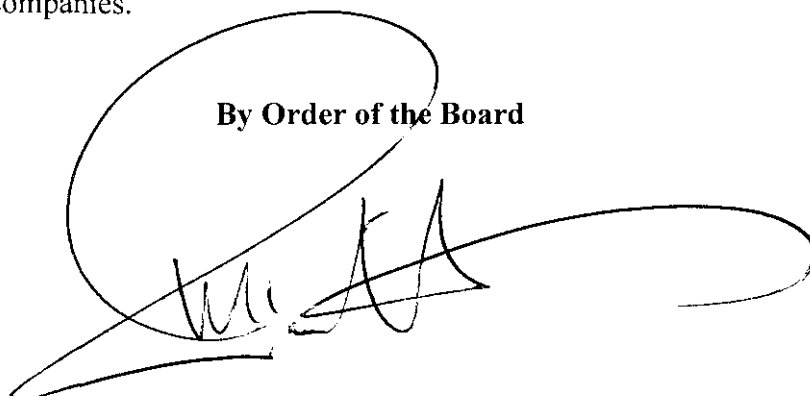
DIRECTORS

The Directors who served the Company throughout the year, together with their interests (including family interests) in the shares of the Company at the beginning and end of year, were as follows:-

	<u>Number of shares</u>	
	<u>As at 31 March 2005</u>	<u>As at 1 April 2004</u>
M E Ricketts	98	98
Mrs G V Ricketts	2	2

This Directors' 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



M E Ricketts
Secretary

Riverside House
1-5 High Street
LONDON COLNEY
Herts
AL2 1RE

Date...26/1/06.....



LEALANS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2005

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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 -

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) 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.

LEALANS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	<u>2005</u>	<u>2004</u>
	£	£
RENTAL INCOME (Note 1)	221,673	203,191
ADMINISTRATION EXPENSES (Note 2)	(162,921)	(228,431)
Operating profit (loss)	<u>58,752</u>	<u>(25,240)</u>
GAIN ON SALE OF INVESTMENT PROPERTIES	-	190,394
INTEREST INCOME	28	61
INTEREST PAYABLE (Note 3)	(32,782)	(16,565)
Profit on ordinary activities before taxation	<u>25,998</u>	<u>148,650</u>
CORPORATION TAX (Note 4)	-	(9,759)
Profit for the financial year	<u>25,998</u>	<u>138,891</u>
RETAINED PROFITS brought forward	685,483	546,592
RETAINED PROFITS carried forward	<u><u>711,481</u></u>	<u><u>685,483</u></u>

There are no gains and losses in the year other than the loss for the year.

There were no acquisitions or discontinuations of business sectors in the year. All amounts therefore refer to continuing operations.

The accompanying notes are an integral part of this Profit and Loss account.

LEALANS LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	<u>2005</u>	<u>2004</u>
	£	£
TANGIBLE FIXED ASSETS (Notes 1 & 5)	3,996,174	3,599,021
CURRENT ASSETS:		
Debtors (Note 6)	169,599	38,294
Cash	28	29
	169,627	38,323
CREDITORS FALLING DUE WITHIN ONE YEAR (Note 7)	(170,378)	(436,920)
Net current liabilities	(751)	(398,597)
TOTAL ASSETS LESS CURRENT LIABILITIES	3,995,423	3,200,424
CREDITORS FALLING DUE AFTER ONE YEAR (Note 8)	(600,000)	-
DEFERRED TAXATION (Note 9)	(593,000)	(554,000)
	2,802,423	2,646,424
SHARE CAPITAL (Note 10)	100	100
INVESTMENT REVALUATION RESERVE (Note 11)	2,090,842	1,960,841
RETAINED PROFITS	711,481	685,483
	2,802,423	2,646,424

The Directors have taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1). No notice has been deposited under S249B(2) of the Companies Act 1985.

The Directors have:

- i) acknowledged their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- ii) acknowledged their responsibility for preparing accounts which give a true and fair view of the company and of its loss for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

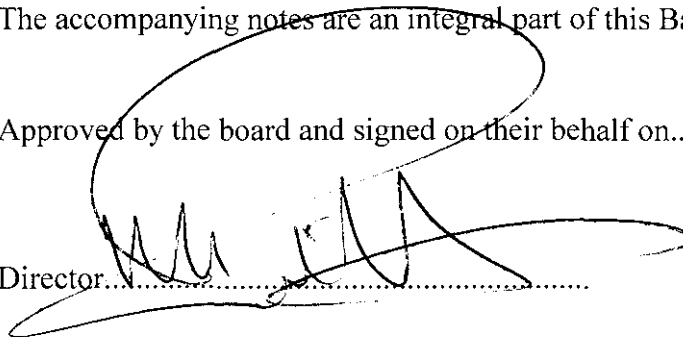
LEALANS LIMITED

BALANCE SHEET (continued) AS AT 31 MARCH 2005

These accounts have been 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.

The accompanying notes are an integral part of this Balance Sheet.

Approved by the board and signed on their behalf on.....26/1/06.....

Director.....

LEALANS LIMITED

NOTES TO THE ACCOUNTS : 31 MARCH 2005

1 ACCOUNTING POLICIES:

- a) These accounts have been prepared under the historic cost convention.
- b) Properties held as investment are stated at open market value and are not depreciated in accordance with SSAP 19.
- c) Rental income represents the gross value of rents falling due during the year.
- d) Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis, over the estimated useful lives of the assets, at the following annual rates:

Motor vehicles	25%
Office equipment	15% - 25%

- e) Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reserve in the future, calculated at the rate at which it is estimated that tax will be payable.
- f) The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2 OPERATING PROFIT:

The operating profit is stated after charging:-

	<u>2005</u>	<u>2004</u>
	£	£
Depreciation	12,579	15,182
Gain on sale of fixed assets	(1,344)	(2,198)
Directors' remuneration	9,000	8,000
Auditors' remuneration	-	-
	=====	=====

3 INTEREST PAYABLE:

This is as follows:-

	<u>2005</u>	<u>2004</u>
	£	£
Bank loans and overdraft	32,782	16,514
Other	-	51
	<u>32,782</u>	<u>16,565</u>
	=====	=====

4 CORPORATION TAX:

The charge to Corporation tax arises as follows:-

	<u>2005</u>	<u>2004</u>
	£	£
Corporation tax at 0% (2004 - 19%)	-	9,759
	=====	=====

5 TANGIBLE FIXED ASSETS:

The movement on these accounts was as follows:-

	<u>Properties</u>	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>TOTAL</u>
	£	£	£	£
Cost -				
Brought forward	3,563,500	40,900	53,762	3,658,162
Additions	242,499	2,888	-	245,387
Surplus on revaluation	169,001			169,001
Disposals			(21,000)	(21,000)
	<u>3,975,000</u>	<u>43,788</u>	<u>32,762</u>	<u>4,051,550</u>
Depreciation -				
Brought forward	-	31,350	27,791	59,141
Charge for the year		3,747	8,832	12,579
Disposals			(16,344)	(16,344)
	<u>-</u>	<u>35,097</u>	<u>20,279</u>	<u>55,376</u>
Net Book Value				
At 31 March 2005	<u>3,975,000</u>	<u>8,691</u>	<u>12,483</u>	<u>3,996,174</u>
Net Book Value				
At 31 March 2004	<u>3,563,500</u>	<u>9,550</u>	<u>25,971</u>	<u>3,599,021</u>

Mr M E Ricketts, a Chartered Surveyor and a Director of the company, valued the investment properties at open market value using an existing use basis as at 31 March 2005.

6 DEBTORS:

These are as follows:-

	<u>2005</u>	<u>2004</u>
	£	£
Trade debtors	35,103	32,633
Other debtors	129,375	-
Prepayments	5,121	5,661
	<u>169,599</u>	<u>38,294</u>
	=====	=====

7 CREDITORS:

Falling due within one year:-

	<u>2005</u>	<u>2004</u>
	£	£
Bank overdraft	89,020	351,462
Bank loan	-	-
Deposits held	5,915	5,915
Corporation Tax	-	9,759
Social Security and other taxes	3,044	2,775
Accruals	11,298	6,305
Other creditors	61,101	60,704
	<u>170,378</u>	<u>436,920</u>
	=====	=====

The bank overdraft is secured by a fixed charge over certain specific properties held as investment.

8 CREDITORS:

Falling due after one year:-

	<u>2005</u>	<u>2004</u>
	£	£
Bank loan	600,000	-
	=====	=====

The bank loan is repayable by instalments as follows:-

Within five years	600,000	-
After five years	-	-
	<u>600,000</u>	<u>-</u>
	=====	=====
Included in current liabilities	-	-
	<u>600,000</u>	<u>-</u>
	=====	=====

9 DEFERRED TAX:

Deferred taxation provided in the financial statements is as follows:-

	<u>2005</u>	<u>2004</u>
	£	£
Taxation on investment property revaluation surplus -		
Balance brought forward	554,000	560,000
Transfer from investment property revaluation account	39,000	(6,000)
Balance carried forward	593,000	554,000
	=====	=====

10 SHARE CAPITAL:

The share capital of the company comprises 100 Ordinary Shares of £1 each, all of which are issued and fully paid.

11 MOVEMENT IN SHAREHOLDER FUNDS:

This is as follows:-

	<u>Share Capital</u>	<u>Investment Revaluation Reserve</u>	<u>Retained Profits</u>	<u>TOTAL</u>
	£	£	£	£
Balance brought forward	100	1,960,841	685,483	2,646,424
Surplus on revaluation of investment properties		169,001		169,001
Adjustment to deferred taxation arising from revaluation surplus		(39,000)		(39,000)
Net profit for the year			25,998	25,998
Balance carried forward	100	2,090,842	711,481	2,802,423