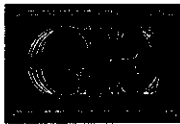


Company Registration No. 1317708 (England and Wales)



S.C.H. (PROPERTIES) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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S.C.H. (PROPERTIES) LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 9

S.C.H. (PROPERTIES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities

The principal activity of the company is that of property dealing.

Directors

The following directors have held office since 1 April 2002:

L Serlin
D J Serlin
S Serlin

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2003	1 April 2002
L Serlin	1	1
D J Serlin	1	1
S Serlin	-	-

In addition to the above, L Serlin holds the joint beneficial interest of one share in Heathway Investments Limited.

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

On behalf of the board

S Serlin
Director
27 October 2003



S.C.H. (PROPERTIES) LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF S.C.H. (PROPERTIES) LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2003, set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Gerald Edelman

Chartered Accountants

27 October 2003

25 Harley Street
London
W1G 9BR

S.C.H. (PROPERTIES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Cost of sales		-	(923)
Administrative expenses		(63,395)	(69,637)
Other operating income		100,364	77,033
Operating profit	2	36,969	6,473
Other interest receivable and similar income		2,232	2,853
Profit on ordinary activities before taxation		39,201	9,326
Tax on profit on ordinary activities	3	(7,127)	(1,825)
Profit on ordinary activities after taxation	9	32,074	7,501

S.C.H. (PROPERTIES) LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		10,349		11,734
Investments	5		2		2
			<u>10,351</u>		<u>11,736</u>
Current assets					
Stocks		150,864		150,864	
Debtors	6	1,387		3,941	
Cash at bank and in hand		118,476		100,207	
		<u>270,727</u>		<u>255,012</u>	
Creditors: amounts falling due within one year	7	<u>(84,457)</u>		<u>(102,201)</u>	
Net current assets			<u>186,270</u>		<u>152,811</u>
Total assets less current liabilities			<u>196,621</u>		<u>164,547</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		196,619		164,545
Shareholders' funds			<u>196,621</u>		<u>164,547</u>

S.C.H. (PROPERTIES) LIMITED

BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2003

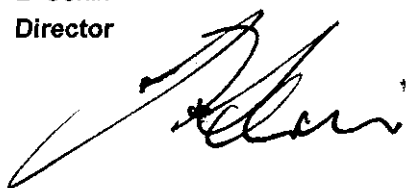
In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 27 October 2003

L. Serlin
Director



D J Serlin
Director



S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

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

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	3,309	3,895
Directors' emoluments	41,000	48,585
	<u> </u>	<u> </u>
 3 Taxation	 2003	 2002
	£	£
Domestic current year tax		
U.K. corporation tax	7,127	1,666
Adjustment for prior years	-	159
	<u> </u>	<u> </u>
Current tax charge	7,127	1,825
	<u> </u>	<u> </u>

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2002	20,939
Additions	1,924
At 31 March 2003	22,863
Depreciation	
At 1 April 2002	9,205
Charge for the year	3,309
At 31 March 2003	12,514
Net book value	
At 31 March 2003	10,349
At 31 March 2002	11,734

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2002 & at 31 March 2003	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Heathway Investments Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Heathway Investments Limited	98,314	8,043

6 Debtors

	2003 £	2002 £
Trade debtors	1,250	3,750
Other debtors	137	191
	1,387	3,941

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

7	Creditors: amounts falling due within one year	2003 £	2002 £
	Trade creditors	16,794	21,169
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	13,636	5,636
	Taxation and social security	7,127	3,053
	Other creditors	46,900	72,343
		<u>84,457</u>	<u>102,201</u>

8	Share capital	2003 £	2002 £
	Authorised		
	1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>

9	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 April 2002	164,545
	Retained profit for the year	<u>32,074</u>
	Balance at 31 March 2003	<u>196,619</u>

10 Transactions with directors

Included within creditors is the sum of £41,988 (2002 : £64,694) due to L S Serlin. There are no terms as to interest or repayment in respect of this balance.

11 Control

The ultimate controlling party is the family interests of Mr L Serlin and Mr D Serlin, who are both directors of the company.

12 Related party transactions

Included within creditors is an amount owed to Heathway Investments Limited, the company's subsidiary undertaking, of £13,636 (2002 : £5,636). There are no terms as to interest or repayment.