

Company Registration No. 1317708 (England and Wales)



S.C.H. (PROPERTIES) LIMITED
DIRECTORS' REPORT
AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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S.C.H. (PROPERTIES) LIMITED

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S.C.H. (PROPERTIES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities

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

Directors

The following directors have held office since 1 April 2004:

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 2005	1 April 2004
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
19 October 2005



S.C.H. (PROPERTIES) LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF S.C.H. (PROPERTIES) LIMITED

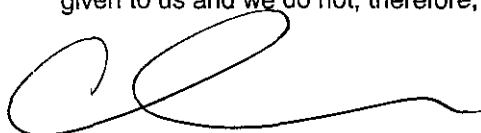
In accordance with the engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of S.C.H. (Properties) Limited for the year ended 31 March 2005, set out on pages 3 to 10 from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 March 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Gerald Edelman

19 October 2005

Chartered Accountants

25 Harley Street
London
W1G 9BR

S.C.H. (PROPERTIES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Administrative expenses		(72,010)	(72,750)
Other operating income		78,301	98,947
Operating profit	2	6,291	26,197
Other interest receivable and similar income	3	2,670	2,538
Profit on ordinary activities before taxation		8,961	28,735
Tax on profit on ordinary activities	4	(1,645)	(5,372)
Profit on ordinary activities after taxation		7,316	23,363
Dividends		(20,000)	(9,000)
Retained (loss)/profit for the year	10	(12,684)	14,363

S.C.H. (PROPERTIES) LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	5		5,954		7,848
Investments	6		2		2
			<u>5,956</u>		<u>7,850</u>
Current assets					
Stocks		150,864		150,864	
Debtors	7	917		143	
Cash at bank and in hand		110,126		112,353	
		<u>261,907</u>		<u>263,360</u>	
Creditors: amounts falling due within one year	8	<u>(69,563)</u>		<u>(60,226)</u>	
Net current assets			<u>192,344</u>		<u>203,134</u>
Total assets less current liabilities			<u>198,300</u>		<u>210,984</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		198,298		210,982
Shareholders' funds			<u>198,300</u>		<u>210,984</u>

S.C.H. (PROPERTIES) LIMITED

BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2005

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.

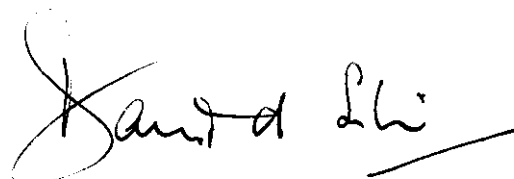
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 19 October 2005

L Serlin
Director



D J Serlin
Director



S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,894	2,502
Directors' emoluments	41,000	41,000
	<u> </u>	<u> </u>
3 Investment income	2005	2004
	£	£
Bank interest	2,670	2,538
	<u> </u>	<u> </u>
4 Taxation	2005	2004
	£	£
Domestic current year tax		
U.K. corporation tax	1,645	5,378
Adjustment for prior years	-	(6)
	<u> </u>	<u> </u>
Current tax charge	<u>1,645</u>	<u>5,372</u>

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2004 & at 31 March 2005	22,863
Depreciation	
At 1 April 2004	15,015
Charge for the year	1,894
At 31 March 2005	16,909
Net book value	
At 31 March 2005	5,954
At 31 March 2004	7,848

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2004 & at 31 March 2005	2
Net book value	
At 31 March 2005	2
	<u>2</u>
At 31 March 2004	2
	<u>2</u>

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 2005 £	Profit for the year 2005 £
Heathway Investments Limited	114,863	10,315
	<u>114,863</u>	<u>10,315</u>

7 Debtors	2005 £	2004 £
Other debtors	917	143
	<u>917</u>	<u>143</u>

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

8	Creditors: amounts falling due within one year	2005 £	2004 £
	Trade creditors	-	1,744
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	28,306	13,421
	Taxation and social security	3,218	7,003
	Other creditors	38,039	38,058
		<u>69,563</u>	<u>60,226</u>

9	Share capital	2005 £	2004 £
	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>

10	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 April 2004	210,982
	Retained loss for the year	<u>(12,684)</u>
	Balance at 31 March 2005	<u>198,298</u>

11 Transactions with directors

Included within creditors is the sum of £18,778 (2004: £33,035) due to L Serlin. There are no terms as to interest or repayment in respect of this balance.

Also included within creditors is the sum of £5,267 (2004: £Nil) due to D J Serlin. There are no terms as to interest or repayment in respect of this balance.

12 Control

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

S.C.H. (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2005**

13 Related party transactions

Included within creditors is an amount owed to Heathway Investments Limited, the company's subsidiary undertaking, of £28,306 (2004 : £13,421). There are no terms as to interest or repayment.