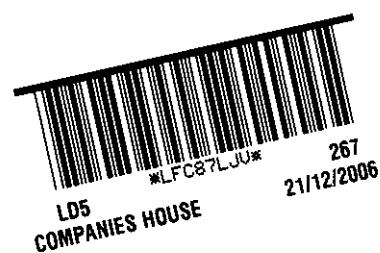




**S.C.H. (PROPERTIES) LIMITED**  
**DIRECTORS' REPORT**  
**AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**



**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 2006

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The directors present their report and financial statements for the year ended 31 March 2006.

### Principal activities

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

### Directors

The following directors have held office since 1 April 2005:

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 2006               | 1 April 2005 |
| 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.

### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements 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 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;
- 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 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.

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

7 December 2006



## **S.C.H. (PROPERTIES) LIMITED**

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

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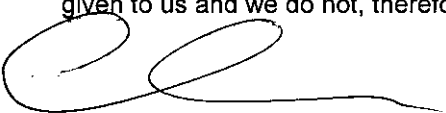
In accordance with the engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of S.C.H. (Properties) Limited for the year ended 31 March 2006, set out on pages 3 to 10 from the accounting records and information and explanations 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 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 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.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2006, set out on pages 4 to 10 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.

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**

7 December 2006

**Chartered Accountants**

25 Harley Street  
London  
W1G 9BR

# S.C.H. (PROPERTIES) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

|                                                      | Notes     | 2006<br>£     | 2005<br>£    |
|------------------------------------------------------|-----------|---------------|--------------|
| Administrative expenses                              |           | (61,321)      | (72,010)     |
| Other operating income                               |           | 93,622        | 78,301       |
| <b>Operating profit</b>                              | <b>2</b>  | <b>32,301</b> | <b>6,291</b> |
| Other interest receivable and similar income         | <b>3</b>  | 2,587         | 2,670        |
| Interest payable and similar charges                 |           | (2)           | -            |
| <b>Profit on ordinary activities before taxation</b> |           | <b>34,886</b> | <b>8,961</b> |
| Tax on profit on ordinary activities                 | <b>4</b>  | (6,320)       | (1,645)      |
| <b>Profit for the year</b>                           | <b>11</b> | <b>28,566</b> | <b>7,316</b> |

# S.C.H. (PROPERTIES) LIMITED

## BALANCE SHEET AS AT 31 MARCH 2006

|                                                       | Notes | 2006<br>£ | £       | 2005<br>£ | £       |
|-------------------------------------------------------|-------|-----------|---------|-----------|---------|
| <b>Fixed assets</b>                                   |       |           |         |           |         |
| Tangible assets                                       | 6     |           | 1,697   |           | 5,954   |
| Investments                                           | 7     |           | 2       |           | 2       |
|                                                       |       |           | <hr/>   |           | <hr/>   |
|                                                       |       |           | 1,699   |           | 5,956   |
| <b>Current assets</b>                                 |       |           |         |           |         |
| Stocks                                                |       | 186,459   |         | 150,864   |         |
| Debtors                                               | 8     | 2,361     |         | 917       |         |
| Cash at bank and in hand                              |       | 71,618    |         | 110,126   |         |
|                                                       |       | <hr/>     |         | <hr/>     |         |
|                                                       |       | 260,438   |         | 261,907   |         |
| <b>Creditors: amounts falling due within one year</b> | 9     | (56,371)  |         | (69,563)  |         |
|                                                       |       | <hr/>     |         | <hr/>     |         |
| <b>Net current assets</b>                             |       |           | 204,067 |           | 192,344 |
|                                                       |       |           | <hr/>   |           | <hr/>   |
| <b>Total assets less current liabilities</b>          |       |           | 205,766 |           | 198,300 |
|                                                       |       |           | <hr/>   |           | <hr/>   |
| <b>Capital and reserves</b>                           |       |           |         |           |         |
| Called up share capital                               | 10    |           | 2       |           | 2       |
| Profit and loss account                               | 11    |           | 205,764 |           | 198,298 |
|                                                       |       |           | <hr/>   |           | <hr/>   |
| <b>Shareholders' funds</b>                            |       |           | 205,766 |           | 198,300 |
|                                                       |       |           | <hr/>   |           | <hr/>   |

# **S.C.H. (PROPERTIES) LIMITED**

## **BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2006**

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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.

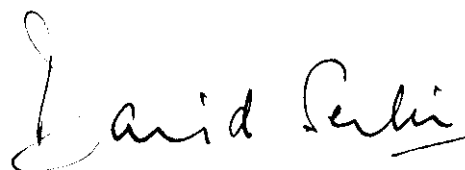
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Approved by the Board for issue on 7 December 2006

L Serlin  
Director



D J Serlin  
Director



# S.C.H. (PROPERTIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

### 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 January 2005).

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 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

|                                            | 2006<br>£     | 2005<br>£     |
|--------------------------------------------|---------------|---------------|
| Operating profit is stated after charging: |               |               |
| Depreciation of tangible assets            | 425           | 1,894         |
| Directors' emoluments                      | 41,000        | 41,000        |
|                                            | <u>41,425</u> | <u>42,894</u> |

### 3 Investment income

|               | 2006<br>£    | 2005<br>£    |
|---------------|--------------|--------------|
| Bank interest | 2,587        | 2,670        |
|               | <u>2,587</u> | <u>2,670</u> |

### 4 Taxation

|                           | 2006<br>£    | 2005<br>£    |
|---------------------------|--------------|--------------|
| Domestic current year tax |              |              |
| U.K. corporation tax      | 6,320        | 1,645        |
|                           | <u>6,320</u> | <u>1,645</u> |
| Current tax charge        | <u>6,320</u> | <u>1,645</u> |

# S.C.H. (PROPERTIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

| 5 | Dividends             | 2006                    | 2005     |
|---|-----------------------|-------------------------|----------|
|   |                       | £                       | £        |
|   | Ordinary interim paid | 21,100                  | 20,000   |
|   |                       |                         |          |
| 6 | Tangible fixed assets | Plant and machinery etc |          |
|   |                       | £                       |          |
|   | <b>Cost</b>           |                         |          |
|   | At 1 April 2005       |                         | 22,863   |
|   | Additions             |                         | 1,033    |
|   | Disposals             |                         | (20,500) |
|   | At 31 March 2006      |                         | 3,396    |
|   | <b>Depreciation</b>   |                         |          |
|   | At 1 April 2005       |                         | 16,909   |
|   | On disposals          |                         | (15,635) |
|   | Charge for the year   |                         | 425      |
|   | At 31 March 2006      |                         | 1,699    |
|   | <b>Net book value</b> |                         |          |
|   | At 31 March 2006      |                         | 1,697    |
|   | At 31 March 2005      |                         | 5,954    |

# S.C.H. (PROPERTIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 7 Fixed asset investments

|                                    | Shares in<br>group<br>undertakings<br>and<br>participating<br>interests<br>£ |
|------------------------------------|------------------------------------------------------------------------------|
| <b>Cost</b>                        |                                                                              |
| At 1 April 2005 & at 31 March 2006 | 2                                                                            |
| <b>Net book value</b>              |                                                                              |
| At 31 March 2006                   | 2                                                                            |
|                                    | <hr/>                                                                        |
| At 31 March 2005                   | 2                                                                            |
|                                    | <hr/>                                                                        |

#### Holdings of more than 20%

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

| Company                        | Country of registration or<br>incorporation | Class    | Shares held<br>% |
|--------------------------------|---------------------------------------------|----------|------------------|
| <b>Subsidiary undertakings</b> |                                             |          |                  |
| Heathway Investments Limited   | England and Wales                           | Ordinary | 100.00           |

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

|                              |                                            | Capital and<br>reserves<br>2006<br>£ | Profit for the<br>year<br>2006<br>£ |
|------------------------------|--------------------------------------------|--------------------------------------|-------------------------------------|
| Heathway Investments Limited | Principal activity<br>Property investment. | 125,326                              | 10,463                              |
|                              |                                            | <hr/>                                | <hr/>                               |

### 8 Debtors

|               | 2006<br>£ | 2005<br>£ |
|---------------|-----------|-----------|
| Other debtors | 2,361     | 917       |
|               | <hr/>     | <hr/>     |

# S.C.H. (PROPERTIES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

| 9 | Creditors: amounts falling due within one year | 2006<br>£ | 2005<br>£ |
|---|------------------------------------------------|-----------|-----------|
|---|------------------------------------------------|-----------|-----------|

Amounts owed to group undertakings and undertakings in which the company has a participating interest

37,491 28,306

Taxation and social security

6,320 3,218

Other creditors

12,560 38,039

56,371 69,563

| 10 | Share capital | 2006<br>£ | 2005<br>£ |
|----|---------------|-----------|-----------|
|----|---------------|-----------|-----------|

### Authorised

1,000 Ordinary shares of £1 each

1,000 1,000

### Allotted, called up and fully paid

2 Ordinary shares of £1 each

2 2

### 11 Statement of movements on profit and loss account

Profit and  
loss  
account  
£

Balance at 1 April 2005

198,298

Profit for the year

28,566

Dividends paid

(21,100)

Balance at 31 March 2006

205,764

### 12 Transactions with directors

Included within creditors is the sum of £Nil (2005: £18,778) 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 £29 (2005: £5,267) due to D J Serlin. There are no terms as to interest or repayment in respect of this balance.

### 13 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 2006***

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### **14 Related party transactions**

Included within creditors is an amount owed to Heathway Investments Limited, the company's subsidiary undertaking, of £37,491 (2005 : £28,306). There are no terms as to interest or repayment.