

DUSKSID LIMITED

Company No: 2045708 (England and Wales)

FINANCIAL STATEMENTS

- for the year ended -

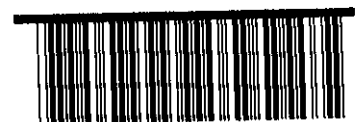
30TH APRIL 2003

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DUSKSIDE LIMITED

DIRECTOR

C J Whalley

SECRETARY

S Spin

BUSINESS ADDRESS

1B The Village
Amies Street
London
SW11 2JW

REGISTERED OFFICE

52 Throwley Way
Sutton, Surrey
SM1 4BF

ACCOUNTANTS

Bhalloo & Company Limited
Chartered Certified Accountants
52 Throwley Way
Sutton, Surrey
SM1 4BF

DUSKSIDE LIMITED

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1	Report of the director
2	Profit and loss account
3	Balance sheet
4	Notes to the financial statements

DUSKSIDe LIMITED

REPORT OF THE DIRECTOR

The director presents his report and financial statements for the year ended 30th April 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of property investment through its interest in Penhurst Property Partnership and Penhurst Properties Limited.

DIRECTOR AND HIS INTERESTS

The director at the balance sheet date and his interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of shares</u>	<u>Number of shares</u>	
		<u>2003</u>	<u>2002</u>
C J Whalley	Ordinary shares class 1	2	2

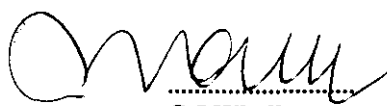
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

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

By Order of the Board

Date: 20-2-2004


.....
C J Whalley
Director

DUSKSIDELIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 2003**

	Notes	2003 £	2002 £
TURNOVER		43,059	31,700
Administrative expenses		(1,694)	(956)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		41,365	30,744
Tax on profit on ordinary activities	2	(6,173)	(4,549)
PROFIT FOR THE FINANCIAL YEAR	8	35,192	26,195

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 4 to 6 form part of these financial statements.

DUSKSIDE LIMITED**BALANCE SHEET AT 30TH APRIL 2003**

	Notes	2003 £	£	2002 £	£
FIXED ASSETS					
Investments	3		333,453		333,453
CURRENT ASSETS					
Debtors	4	343,932		239,070	
CREDITORS: Amounts falling due within one year					
	5	(10,022)		(7,267)	
NET CURRENT ASSETS					
			333,910		231,803
TOTAL ASSETS LESS CURRENT LIABILITIES					
			667,363		565,256
PROVISIONS FOR LIABILITIES AND CHARGES					
	6		(645,160)		(578,245)
			22,203		(12,989)
CAPITAL AND RESERVES					
Called up share capital	7		2		2
Profit and loss account	8		22,201		(12,991)
SHAREHOLDERS FUNDS					
	9		22,203		(12,989)

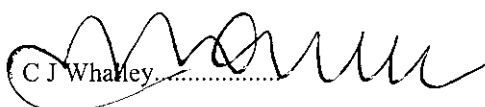
The director has taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 30th April 2003 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

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

The financial statements were approved
by the board on 20-2-2004
and signed on its behalf by

 C J Whalley Director

The notes on pages 4 to 6 form part of these financial statements.

DUSKSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2003

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 TURNOVER

Turnover represents income receivable from participating interests.

1.3 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.4 ASSOCIATED UNDERTAKINGS

The company's share of profits less losses of associated undertakings is included in the profit and loss account, and the company's share of their net assets is included in the balance sheet. These amounts are taken from the latest audited financial statements of the undertakings concerned.

A copy of the financial statements of Penhurst Property Partnership is appended to these accounts.

2. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
The taxation charge comprises:		
U.K. corporation tax	6,230	4,549
	6,230	4,549
Adjustment in respect of prior years	(57)	-
	<u>6,173</u>	<u>4,549</u>

3. INVESTMENTS

<u>Cost</u>	<u>Beginning of year £</u>	<u>Additions £</u>	<u>End of year £</u>
Investment in associated undertakings	333,453	-	333,453
	333,453	-	333,453
<u>Net book value</u>	<u>333,453</u>		<u>333,453</u>

Investment in associated undertakings

2003

2002

**Cost
£**

**Cost
£**

Unlisted

333,453

333,453

DUSKSIDE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2003****4. DEBTORS**

	2003	2002
	£	£
Other	343,932	239,070
	<u>343,932</u>	<u>239,070</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Other creditors	10,022	7,267
	<u>10,022</u>	<u>7,267</u>

6. PROVISION FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Interest in partnership:		
Balance at 1st May 2002	578,245	591,397
Capital introduced	-	(114,476)
Share of profit	(18,085)	(13,152)
	<u>560,160</u>	<u>463,769</u>
Drawings	85,000	114,476
	<u>645,160</u>	<u>578,245</u>
Balance at 30th April 2003		

7. SHARE CAPITAL

	2003	2002
	£	£
<u>Authorised</u>		
Equity interests:		
1,000 Ordinary shares class 1 of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
2 Ordinary shares class 1 of £1 each	<u>2</u>	<u>2</u>

8. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
Accumulated losses at 1st May 2002	(12,991)	(39,186)
Profit for the financial year	<u>35,192</u>	<u>26,195</u>
Retained profits at 30th April 2003	<u>22,201</u>	<u>(12,991)</u>

DUSKSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2003

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	35,192	26,195
Shareholders' funds at 1st May 2002	(12,989)	(39,184)
Shareholders' funds at 30th April 2003	22,203	(12,989)
Represented by:-		
Equity interests	22,203	(12,989)
	22,203	(12,989)

PENHURST PROPERTY PARTNERSHIP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH APRIL 2003

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4. Independent Auditors Report
5. Profit and Loss Account
Statement of Total Recognised Gains and Losses
6. Balance Sheet
- 7 – 12. Notes forming part of the Financial Statements
13. Trading and Profit and Loss Account

MAGEE GAMMON

Chartered Accountants
19 North Street
Ashford
Kent
TN24 8LF

PENHURST PROPERTY PARTNERSHIP

PARTNERSHIP INFORMATION

Partners : Duskside Limited
Penhurst Properties Limited

Head Office : Owley Estate Office
Owley
Wittersham
Kent TN30 7HL

Telephone : 01797 271000
Facsimile : 01797 271001

Bankers : Bank of Scotland
Telford House
3 Mid New Cultins
Edinburgh EH11 4DH

Long Term Lenders : The Principality Building Society
Principality Buildings
Queen Street
Cardiff

Auditors : Magee Gammon Corporate Limited
Chartered Accountants
19 North Street
Ashford
Kent TN24 8LF

Solicitors : Bircham Dyson Bell
50 Broadway
Westminster
London SW1H 0BL

PENHURST PROPERTY PARTNERSHIP

REPORT OF THE PARTNERS

FOR THE YEAR ENDED 30TH APRIL 2003

The Partners present their report together with the Financial Statements for the year ended 30th April 2003.

PRINCIPAL ACTIVITY

The principal activity of the Partnership during the period continued to be that of property letting.

REVIEW OF THE BUSINESS

The assets and liabilities of the Partnership are held on trust by Penhurst (Rentals) Limited as a nominee company.

The business has continued to benefit from the holding of a quality investment portfolio. The Partners are satisfied with the results for the year and the financial position at the balance sheet date and continue to look to the future with optimism.

PARTNERS

On 3rd July 2002, Homefirm Limited retired fully from the Partnership and the remaining interest was taken up by Penhurst Properties Limited.

Therefore the following companies were partners at the balance sheet date:

Duskside Limited
Penhurst Properties Limited

FIXED ASSETS

Details of Fixed Assets are set out in note 7 to these Financial Statements.

POST BALANCE SHEET EVENTS

There have been no events occurring since the end of the period which have materially altered the position of the Partnership as represented within these Financial statements.

PENHURST PROPERTY PARTNERSHIP

REPORT OF THE PARTNERS

FOR THE YEAR ENDED 30TH APRIL 2003

PARTNERS RESPONSIBILITIES

The Partnerships and Unlimited Companies (Accounts) Regulations 1993 (SI 1993/1820) requires the Partners to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing those Financial Statements, the Partners are required to :-

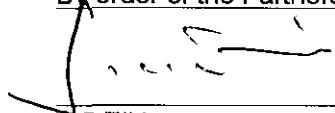
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

The Partners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the Financial Statements comply with the Statutory Instrument 1993/1820. They are also responsible for safeguarding the assets of the Partnership and hence for taking any reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Magee Gammon Corporate Limited have indicated their willingness to continue in office and, accordingly, a resolution for their reappointment will be proposed at the Annual General Meeting.

By order of the Partnership


J C Elkington

INDEPENDENT AUDITORS REPORT
TO THE PARTNERS OF
PENHURST PROPERTY PARTNERSHIP

We have audited the Financial Statements of the Penhurst Property Partnership for the year ended 30th April 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These Financial Statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the Partners in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Partners those matters we are required to state to them in an auditor's 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 Partnership and the Partners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Partners and Auditors

As described in the Statement of Partners Responsibilities the Partners of the Partnership are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Partnerships and Unlimited Companies (Accounts) Regulations 1993 and, where relevant, with the Companies Act 1985. We also report to you, if in our opinion, the Partners Report is not consistent with the Financial Statements, if the Partnership 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 transactions with the Partnership are not disclosed.

We read the Partners Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 Partners in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Partnership's circumstances, consistently applied and adequately disclosed.

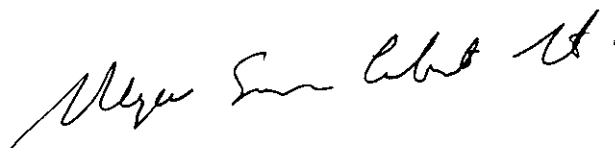
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the affairs of the Partnership as at 30th April 2003 and of its result for the year then ended and have been properly prepared in accordance with the Partnerships and Unlimited Companies (Accounts) Regulations 1993.

19 North Street
Ashford
Kent
TN24 8LF

3rd July 2003



MAGEE GAMMON CORPORATE LIMITED
Chartered Accountants
Registered Auditors

PENHURST PROPERTY PARTNERSHIP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 2003

	<u>NOTE</u>	<u>2003</u>	<u>2002</u> <u>(10 Months)</u>
<u>TURNOVER</u>		351,629	295,768
Cost of Sales		75,790	80,595
		275,839	215,173
Administrative Expenses		25,244	5,002
<u>OPERATING PROFIT</u>	3	250,595	210,171
Other Interest Receivable and Similar Income	4	6,482	5,391
Interest Payable and Similar Charges	5	170,959	152,933
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		86,118	62,629
Tax on Profit on Ordinary Activities	6	—	—
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£86,118	£62,629
<u>RETAINED PROFIT FOR THE FINANCIAL YEAR/PERIOD</u>		£86,118	£62,629

All the above amounts are in respect of continuing activities

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2003</u>	<u>2002</u>
Profit for the Financial Year/Period	86,118	62,629
Unrealised Surplus on Revaluation of Properties	720,113	397,237
Total Recognised Gains and Losses relating to the Year/Period	£806,231	£459,866

The accompanying notes form an integral part of these Financial Statements

PENHURST PROPERTY PARTNERSHIP

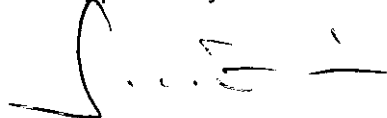
BALANCE SHEET

AS AT 30TH APRIL 2003

NOTE

		<u>2003</u>	<u>2002</u>
<u>FIXED ASSETS</u>			
Tangible Assets	7	6,418,551	5,690,213
Investments	8	4	4
		6,418,555	5,690,217
<u>CURRENT ASSETS</u>			
Debtors	9	3,305	30,200
Cash at Bank and in Hand		183,559	129,300
		186,864	159,500
<u>CREDITORS:</u> Amounts falling due within one year	10	175,975	56,237
<u>NET CURRENT ASSETS</u>		10,889	103,263
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		6,429,444	5,793,480
<u>CREDITORS:</u> Amounts falling due after more than one year	11	3,339,402	3,339,669
<u>NET ASSETS</u>		<u>£3,090,042</u>	<u>£2,453,811</u>
<u>CAPITAL AND RESERVES</u>			
Capital Accounts	12	62,941	(74,158)
Investment Property Revaluation Reserve	13	3,027,101	2,527,969
		£3,090,042	£2,453,811

Approved by the Partners on 3rd July 2003



Penhurst Properties Limited



Duskside Limited

The accompanying notes form an integral part of these Financial Statements

PENHURST PROPERTY PARTNERSHIP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2003

1. ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with Accounting Standards. The principal accounting policies are as follows:—

Basis of Accounting

The Financial Statements are prepared under the historical cost convention.

Turnover

Turnover represents rent receivable, exclusive of VAT where applicable.

Tangible Fixed Assets and Depreciation

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

Fixtures and fittings 33% at cost

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standards it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the Partners compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Investments

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

Deferred Taxation

Deferred Taxation is provided in full on material timing differences which may give rise to material future tax liabilities. Provision is made at the rates expected to apply when such liabilities crystallise based on current tax law.

Government Grants

Grants towards capital expenditure are deducted from the cost of the asset acquired. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Consolidation

The Financial Statements present information in respect of the Partnership as an individual. The Partnership itself is a subsidiary undertaking of Penhurst Properties Limited and thus under Section 228 of the Companies Act 1985 takes advantage of the exemption to prepare Group Financial Statements.

PENHURST PROPERTY PARTNERSHIP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH APRIL 2003

2. TURNOVER AND PROFIT

All turnover and profit was derived from the principal activity of the Partnership wholly undertaken within the United Kingdom.

3. OPERATING PROFIT

Operating Profit is stated after charging/(crediting): –

	<u>2003</u> £	<u>2002</u> £ (10 Months)
Auditors Remuneration	<u>£2,234</u>	<u>£2,087</u>

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2003</u>	<u>2002</u> (10 Months)
Bank Interest	<u>£6,482</u>	<u>£5,391</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2003</u>	<u>2002</u> (10 Months)
On Bank Loans and Mortgages	<u>£170,959</u>	<u>£152,933</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no liability to corporation tax as the partner companies bear their taxation liabilities in their own companies.

PENHURST PROPERTY PARTNERSHIP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH APRIL 2003

7. TANGIBLE FIXED ASSETS

	<u>Investment Properties</u>	<u>Fixtures & Fittings</u>	<u>Total</u>
<u>Cost or Valuation:</u>			
At 1st May 2002	5,690,213	3,432	5,693,645
Additions	8,225	–	8,225
Revaluation	720,113	–	720,113
At 30th April 2003	6,418,551	3,432	6,421,983
<u>Depreciation:</u>			
At 1st May 2002 and 30th April 2003	–	3,432	3,432
<u>Net Book Value:</u>			
At 30th April 2003	£6,418,551	–	£6,418,551
At 30th April 2002	£5,690,213	–	£5,690,213

An independent professional valuation of the property portfolio was carried out on 30th April 2003 by Chris Horler FRICS, Associate Director, BBG Commercial, Chartered Surveyors (a wholly owned subsidiary of Bradford and Bingley Bank plc).

The historic cost of Investment Properties was £1,728,537 (2002 : £1,720,312).

The book value of investment properties is represented by freehold property of £3,386,187 (2002 : £2,937,482) and long leasehold property of £3,032,364 (2002 : £2,752,731).

The cumulative total of capital grants received which have been deducted from acquisition costs is £16,937.

PENHURST PROPERTY PARTNERSHIP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH APRIL 2003

8. FIXED ASSET INVESTMENTS

Investment
in
Subsidiary
Undertakings

Cost:

At 1st May 2002 and 30th April 2003

£4

The Partnership's investment in its Subsidiary Undertaking represents the cost of acquisition of the whole of the issued share capital of Penhurst (Rentals) Limited, whose principal activity is that of acting as nominee for Penhurst Property Partnership.

At the balance sheet date, Penhurst (Rentals) Limited had not traded during the period and the aggregate capital and reserves amounted to £4 (2002 : £4).

The Partnership also has a direct interest in Penhurst (Investments) Limited, which is a wholly owned subsidiary of Penhurst (Rentals) Limited. At the balance sheet date, Penhurst (Investments) Limited had not traded during the period and the aggregate capital and reserves amounted to £6 (2002 : £6).

9. DEBTORS

	<u>2003</u>	<u>2002</u>
Other Debtors	2,200	25,404
Prepayments	1,105	4,796
	<u>£3,305</u>	<u>£30,200</u>

10. CREDITORS: Amounts falling due within one year

	<u>2003</u>	<u>2002</u>
Other Taxation and Social Security	3,079	1,495
Other Creditors	133,843	32,320
Accruals and Deferred Income	39,053	22,422
	<u>£175,975</u>	<u>£56,237</u>

PENHURST PROPERTY PARTNERSHIP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH APRIL 2003

11. CREDITORS: Amounts falling due after more than one year

	<u>2003</u>	<u>2002</u>
Bank Loans	£3,339,402	£3,339,669
Analysis of loans		
Not wholly repayable within five years by instalments:		
Repayable after more than five years	£3,339,402	£3,339,669
Loan maturity analysis		
In five years or more	£3,339,402	£3,339,669

The bank loans are secured by fixed and floating charges over the assets of the Partnership.

12. CAPITAL ACCOUNTS

	<u>Duskside Limited</u>	<u>Homefirm Limited</u>	<u>Penhurst Properties Limited</u>	<u>Total</u>
At 1st May 2002	(578,245)	(141,286)	645,373	(74,158)
Transfer from Investment Property Revaluation Reserve	–	220,981	–	220,981
Introduced	–	–	79,695	79,695
Share of Profit for the Year	18,085	–	68,033	86,118
Drawings	(85,000)	(79,695)	(85,000)	(249,695)
At 30th April 2003	(£645,160)	–	£708,101	£62,941

PENHURST PROPERTY PARTNERSHIP

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH APRIL 2003

13. INVESTMENT PROPERTY REVALUATION RESERVE

	<u>2003</u>	<u>2002</u>
Balance at Start of Year	2,527,969	2,312,220
Revaluation during the Year	720,113	397,237
Transfer to Capital Accounts	(220,981)	(181,488)
Balance at End of Year	<u>£3,027,101</u>	<u>£2,527,969</u>

14. EMPLOYEES

There were no employees during the period.

15. CONTROL

The Partners voting rights and profit share are as follows:

	<u>Votes</u>	<u>2003/2004</u> <u>Profit Share</u>	<u>2002/2003</u> <u>Profit Share</u>
Duskside Limited	33.3%	21%	21%
Penhurst Properties Limited	66.7%	79%	79%

A unanimous vote is required to pass a Partnership resolution.

16. PARENT UNDERTAKING

The ultimate parent undertaking is Penhurst Properties Limited, which is registered in England.

17. RELATED PARTY TRANSACTIONS

During the year the Partnership paid letting management fees of £36,000 (2002 : £28,606) to Sloneform Limited. Sloneform Limited is a wholly owned subsidiary of Penhurst Properties Limited.

During the year the Partnership paid accounting fees of £11,550 (2002 : Nil) to Penhurst Properties Limited. The transactions are on an arms length basis.

All the transactions above were conducted on arms length terms.