

ELMDENE PROPERTY INVESTMENTS LIMITED

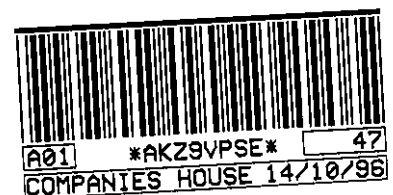
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996

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*This page does not form part of the statutory accounts of the Company.

Company Registration Number: 2474607



ELMDENE PROPERTY INVESTMENTS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 1996

The Directors submit their annual report and the audited accounts of the Company for the year ended 31st March 1996.

ACTIVITIES

The principal activity of the Company during the year was investment in properties.

DIRECTORS

The Directors who served during the year were Mrs S.Van Dooren, Mr E.J.Van Dooren, Mrs P.Crawford, Mrs S.Nevile, Mrs M.Goodwin and Miss L.Van Dooren.

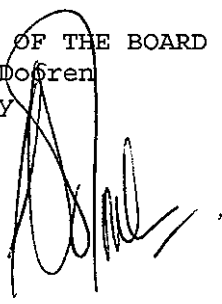
DIRECTORS INTERESTS IN SHARES

The Directors have no beneficial interests in the shares of the Company. No rights to subscribe for shares in the Company were granted to or exercised by the Directors or their families during the year.

This report has been prepared taking advantage of the special exemptions available to small companies under the Companies Act 1985.

BY ORDER OF THE BOARD
E.J.Van Dooren
Secretary

14th September 1996

A handwritten signature in black ink, appearing to be 'E.J. Van Dooren', is written over the typed name of the Secretary.

ELMDENE PROPERTY INVESTMENTS LIMITED**ANNUAL ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 1996****STATEMENT OF DIRECTORS RESPONSIBILITIES**

The directors are required by law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing those accounts, they are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and prepare the accounts on a going concern basis where appropriate. The directors are also responsible for maintaining adequate accounting records, safeguarding the assets of the Company, and for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF ELMDENE PROPERTY INVESTMENTS LIMITED

We have audited the accounts on pages 3 to 8, which have been prepared under the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described above, the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company'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 a reasonable assurance that the accounts 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 accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of the Company's affairs as at 31st March 1996, and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Helmore, Helmore & Co

HELMORE, HELMORE & CO
Chartered Accountants and Registered Auditor
14th September 1996

Grosvenor Gardens House
35/37 Grosvenor Gardens
London SW1W 0BY

ELMDENE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1996

		1996	1995
	Notes	£	£
PROPERTY INCOME		105,248	91,884
Property Expenses		40,535	26,303
NET RENTAL INCOME		<u>64,713</u>	<u>65,581</u>
Administrative Expenses		45,127	46,362
		<u>19,586</u>	<u>19,219</u>
Other Operating Income		750	-
OPERATING PROFIT	2	<u>20,336</u>	<u>19,219</u>
Profit on Disposal of Fixed Assets		-	182
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>20,336</u>	<u>19,401</u>
Income from Fixed Asset Investments		569	518
Interest Payable		(113)	(10)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>20,792</u>	<u>19,909</u>
Tax on Profit on Ordinary Activities		5,187	11,457
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>15,605</u>	<u>8,452</u>
Dividends		<u>15,000</u>	<u>35,000</u>
RETAINED PROFIT (LOSS) FOR THE YEAR	8	<u>£ 605</u>	<u>£ (26,548)</u>

The notes on pages 6 to 8 form a part of these accounts.

ELMDENE PROPERTY INVESTMENTS LIMITED

ANNUAL ACCCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1996	1995
Profit for the Financial Year	15,605	8,452
Unrealised Surplus (Deficit) on Revaluation of Properties	(4,106)	93,160
Total Recognised Gains and Losses for the Year	£ 11,499	£ 101,612

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1996	1995
Reported Profit on Ordinary Activities Before Taxation	20,792	19,909
Realisation of Property Revaluation Gains of Previous Years	-	30,372
Historical Cost Profit on Ordinary Activities Before Taxation	£ 20,792	£ 50,281
Retained Historical Cost Profit for the Year	£ 605	£ 3,824

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1996	1995
Total Recognised Gains and Losses for the Year	11,499	101,612
Dividends	(15,000)	(35,000)
Movement in Shareholders Funds	(3,501)	66,612
Opening Shareholders Funds	1,042,840	976,228
Closing Shareholders Funds	£ 1,039,339	£ 1,042,840

ELMDENE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

AT 31ST MARCH 1996

		1996		1995	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3	1,153,500		1,138,500	
Investments	4	13,621		10,171	
		<u>1,167,121</u>		<u>1,148,671</u>	
CURRENT ASSETS					
Debtors	5	8,837		12,427	
Cash at Bank and in Hand		27,251		29,483	
		<u>36,088</u>		<u>41,910</u>	
CREDITORS: Amounts Falling Due Within One Year					
Amounts Owed to Group					
Undertakings		143,000		100,000	
Taxation and Social Security		4,765		11,654	
Other Creditors		16,105		36,087	
		<u>163,870</u>		<u>147,741</u>	
NET CURRENT LIABILITIES			(127,782)		(105,831)
TOTAL ASSETS LESS CURRENT LIABILITIES					
		£ 1,039,339		£ 1,042,840	
CAPITAL AND RESERVES					
Called Up Share Capital	6	100		100	
Revaluation Reserve	7	967,945		972,051	
Profit and Loss Account	8	71,294		70,689	
		<u>£ 1,039,339</u>		<u>£ 1,042,840</u>	

These accounts have been prepared taking advantage of the special exemptions available to small companies under the Companies Act 1985. In the opinion of the Directors, the company is entitled to those exemptions on the grounds that it has met the conditions specified in Section 247 of the Act in this and the preceding financial year.

Approved by the Board on 14th September 1996
 E.J. Van Dooren, S. Van Dooren - Directors

The notes on pages 6 to 8 form a part of these accounts.

ELMDENE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts have been prepared under the historical cost convention, as modified by the inclusion of land and buildings at a valuation.

b) Land and Buildings

Land and Buildings are included at their valuation on an open market basis at the balance sheet date. The valuation was carried out by Adams Property Services. Any surplus or deficit arising is transferred to revaluation reserve.

c) Disposals of Property

Gains or losses on disposal of property are calculated by reference to the book value of the property. Where appropriate, a transfer is made from revaluation reserve of an amount equivalent to the difference between the book value and historical cost.

2. OPERATING PROFIT

The following amounts have been included in arriving at the Operating Profit:

	1996 £	1995 £
Directors Emoluments	41,000	42,000
Auditors Remuneration	1,105	1,087

3. TANGIBLE FIXED ASSETS

Land and Buildings	1996	1995
Balance Brought Forward	1,138,500	1,061,500
Improvements to Property	19,106	20,840
Disposals	-	(37,000)
Revaluation	(4,106)	93,160
Balance Carried Forward	£ 1,153,500	£ 1,138,500

The original cost of land and buildings was £185,554 (1995 - £166,448).

ELMDENE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31ST MARCH 1996
 (Continued)

4. FIXED ASSET INVESTMENTS

	1996	1995
Shares in Unlisted Company		
Balance Brought Forward	10,171	10,171
Additions	3,450	-
Balance Carried Forward	£ 13,621	£ 10,171

5. DEBTORS

	1996	1995
Trade Debtors	509	1,713
Others	8,328	10,714
	£ 8,837	£ 12,427

The aggregate amount of debtors falling due after one year is £3,750
 (1995 - £8,750)

6. SHARE CAPITAL

	1996	1995
Authorised:		
1,000 Shares of £1 each	£ 1,000	£ 1,000
Issued and Fully Paid:		
100 Shares of £1 each	£ 100	£ 100

7. REVALUATION RESERVE

	1996	1995
Balance Brought Forward	972,051	909,263
Surplus (Deficit) on Revaluation of Property	(4,106)	93,160
Transfer to Profit and Loss Account re Disposal of Property	-	(30,372)
Balance Carried Forward	£ 967,945	£ 972,051

ELMDENE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31ST MARCH 1996
 (Continued)

8. PROFIT AND LOSS ACCOUNT

	1996	1995
Balance Brought Forward	70,689	66,865
Retained Profit (Loss) for the Year	605	(26,548)
Transfer from Revaluation Reserve	-	30,372
	£ 71,294	£ 70,689

9. PARENT COMPANY

The Company is a wholly owned subsidiary of Belgravia Finance Co. (1990) Limited, a company incorporated in Great Britain. Belgravia Finance Co. (1990) Limited was the ultimate parent company at 31st March 1996.