

ELMDENE PROPERTY INVESTMENTS LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1997

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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 1997

The Directors submit their annual report and the audited accounts of the Company for the year ended 31st March 1997.

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 interests in the share capital of the Company.

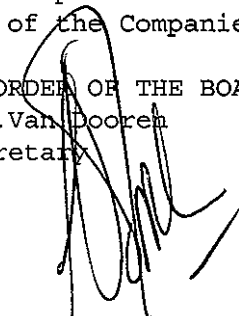
Directors interests in the share capital of the parent company, Belgravia Finance Co. (1990) Limited, were as follows:

	Ordinary Shares Held	
	At 31.3.1997	At 31.3.1996
Mr E.J. Van Dooren	1,506,431	1,656,431
Mrs S. Van Dooren	32,326	82,326
Miss L. Van Dooren	579,102	579,102
Mrs S. Nevile	911,149	951,149
Mrs M. Goodwin	544,458	544,458
E.J. Van Dooren and S. Van Dooren - Trustee Holding	466,000	266,000
Mrs P. Crawford - Trustee Holding	215,090	215,090
Mrs S. Nevile - Trustee Holding	273,500	233,500

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 in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

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



19th August 1997

ELMDENE PROPERTY INVESTMENTS LIMITED

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

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.

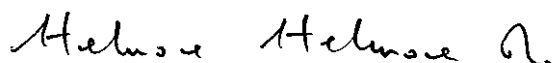
Basis of Opinion

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 1997, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



HELMORE, HELMORE & CO
Chartered Accountants and Registered Auditor

19th August 1997

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

ELMDENE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1997

		1997	1996
	Notes	£	£
PROPERTY INCOME		105,922	105,248
Property Expenses		43,816	40,535
NET RENTAL INCOME		<u>62,106</u>	<u>64,713</u>
Administrative Expenses		45,017	45,127
		<u>17,089</u>	<u>19,586</u>
Other Operating Income		-	750
OPERATING PROFIT	2	<u>17,089</u>	<u>20,336</u>
Profit on Disposal of Fixed Assets		11,870	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>28,959</u>	<u>20,336</u>
Income from Fixed Asset Investments		755	569
Interest Payable		-	(113)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>29,714</u>	<u>20,792</u>
Tax on Profit on Ordinary Activities		12,224	5,187
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>17,490</u>	<u>15,605</u>
Dividends		<u>70,000</u>	<u>15,000</u>
RETAINED PROFIT (LOSS) FOR THE YEAR	8	<u>£ (52,510)</u>	<u>£ 605</u>

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

ELMDENE PROPERTY INVESTMENTS LIMITED

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1997	1996
Profit for the Financial Year	17,490	15,605
Unrealised Surplus (Deficit) on Revaluation of Properties	213,000	(4,106)
Total Recognised Gains and Losses for the Year	<u>£ 230,490</u>	<u>£ 11,499</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1997	1996
Reported Profit on Ordinary Activities Before Taxation	29,714	20,792
Realisation of Property Revaluation Gains of Previous Years	63,683	-
Historical Cost Profit on Ordinary Activities Before Taxation	<u>£ 93,397</u>	<u>£ 20,792</u>
Retained Historical Cost Profit for the Year	<u>£ 11,173</u>	<u>£ 605</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997	1996
Total Recognised Gains and Losses for the Year	230,490	11,499
Dividends	(70,000)	(15,000)
Movement in Shareholders Funds	<u>160,490</u>	<u>(3,501)</u>
Opening Shareholders Funds	1,039,339	1,042,840
Closing Shareholders Funds	<u>£ 1,199,829</u>	<u>£ 1,039,339</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

AT 31ST MARCH 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		1,267,000		1,153,500
Investments	4		13,621		13,621
			<u>1,280,621</u>		<u>1,167,121</u>
CURRENT ASSETS					
Debtors	5	17,597		8,837	
Cash at Bank and in Hand		113,701		27,251	
		<u>131,298</u>		<u>36,088</u>	
CREDITORS: Amounts Falling Due Within One Year					
Amounts Owed to Group					
Undertakings		115,000		143,000	
Taxation and Social Security		25,974		4,765	
Other Creditors		71,116		16,105	
		<u>212,090</u>		<u>163,870</u>	
NET CURRENT LIABILITIES			(80,792)		(127,782)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>£ 1,199,829</u>		<u>£ 1,039,339</u>
CAPITAL AND RESERVES					
Called Up Share Capital	6		100		100
Revaluation Reserve	7		1,117,262		967,945
Profit and Loss Account	8		82,467		71,294
SHAREHOLDERS FUNDS			<u>£ 1,199,829</u>		<u>£ 1,039,339</u>

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

Approved by the Board on 19th August 1997
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 1997

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. No provision is made in respect of any future corporation tax liability on unrealised capital gains.

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:

	1997 £	1996 £
Directors Emoluments	41,000	41,000
Auditors Remuneration	1,116	1,105

3. TANGIBLE FIXED ASSETS

Land and Buildings	1997	1996
Balance Brought Forward	1,153,500	1,138,500
Improvements to Property	6,014	19,106
Disposals	(105,514)	-
Revaluation	213,000	(4,106)
Balance Carried Forward	£ 1,267,000	£ 1,153,500

The original cost of land and buildings was £149,737 (1996 - £185,554). A potential estimated liability to corporation tax of £139,000 would arise on a simultaneous disposal of the company's properties at the amount at which they are stated.

ELMDENE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

(Continued)

4. FIXED ASSET INVESTMENTS

	1997	1996
Shares in Unlisted Company		
Balance Brought Forward	13,621	10,171
Additions	-	3,450
Balance Carried Forward	£ 13,621	£ 13,621

5. DEBTORS

	1997	1996
Trade Debtors	97	509
Others	17,500	8,328
	£ 17,597	£ 8,837

The aggregate amount of debtors falling due after one year is £17,500
(1996 - £3,750)

6. SHARE CAPITAL

	1997	1996
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

	1997	1996
Balance Brought Forward	967,945	972,051
Surplus (Deficit) on Revaluation of Property	213,000	(4,106)
Transfer to Profit and Loss Account re Disposal of Property	(63,683)	-
Balance Carried Forward	£ 1,117,262	£ 967,945

ELMDENE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

(Continued)

8. PROFIT AND LOSS ACCOUNT

	1997	1996
Balance Brought Forward	71,294	70,689
Retained Profit (Loss) for the Year	(52,510)	605
Transfer from Revaluation Reserve	63,683	-
	£ 82,467	£ 71,294

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 1997.

10. RELATED PARTIES

The company had no material transactions with related parties during the year. Balances with related parties at 31st March 1997 were as follows:

Amounts due to Belgravia Finance Co. (1990) Ltd (parent company)	£115,000
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The company is ultimately controlled by Mr E.J.Van Dooren.