

ELMDENE PROPERTY INVESTMENTS LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1998

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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 1998

The Directors submit their annual report and the audited accounts of the Company for the year ended 31st March 1998.

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 31.3.1998	At 31.3.1997
Mr E.J. Van Dooren	1,501,931	1,506,431
Mrs S. Van Dooren	27,826	32,326
Miss L. Van Dooren	579,102	579,102
Mrs S. Nevile	906,649	911,149
Mrs M. Goodwin	544,458	544,458
E.J. Van Dooren and S. Van Dooren - Trustee Holding	475,000	466,000
Mrs P. Crawford - Trustee Holding	215,090	215,090
Mrs S. Nevile - Trustee Holding	278,000	273,500

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

17th April 1998

ELMDENE PROPERTY INVESTMENTS LIMITED**ANNUAL ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 1998****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 1998, 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
17th August 1998

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

ELMDENE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1998

		1998	1997
	Notes	£	£
PROPERTY INCOME		107,844	105,922
Property Expenses		25,515	43,816
NET RENTAL INCOME		<u>82,329</u>	<u>62,106</u>
Administrative Expenses		45,958	45,017
OPERATING PROFIT	2	<u>36,371</u>	<u>17,089</u>
Profit on Disposal of Fixed Assets		2,885	11,870
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>39,256</u>	<u>28,959</u>
Income from Fixed Asset Investments		863	755
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>40,119</u>	<u>29,714</u>
Tax on Profit on Ordinary Activities		10,418	12,224
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>29,701</u>	<u>17,490</u>
Dividends		<u>60,000</u>	<u>70,000</u>
RETAINED LOSS FOR THE YEAR	8	<u>£ (30,299)</u>	<u>£ (52,510)</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 1998

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1998	1997
Profit for the Financial Year	29,701	17,490
Unrealised Surplus on Revaluation of Properties	167,000	213,000
Total Recognised Gains and Losses for the Year	<u>£ 196,701</u>	<u>£ 230,490</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1998	1997
Reported Profit on Ordinary Activities Before Taxation	40,119	29,714
Realisation of Property Revaluation Gains of Previous Years	30,790	63,683
Historical Cost Profit on Ordinary Activities Before Taxation	<u>£ 70,909</u>	<u>£ 93,397</u>
Retained Historical Cost Profit for the Year	<u>£ 491</u>	<u>£ 11,173</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1998	1997
Total Recognised Gains and Losses for the Year	196,701	230,490
Dividends	(60,000)	(70,000)
Movement in Shareholders Funds	<u>136,701</u>	<u>160,490</u>
Opening Shareholders Funds	1,199,829	1,039,339
Closing Shareholders Funds	<u>£ 1,336,530</u>	<u>£ 1,199,829</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

AT 31ST MARCH 1998

		1998		1997	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		1,394,500		1,267,000
Investments	4		13,621		13,621
			<u>1,408,121</u>		<u>1,280,621</u>
CURRENT ASSETS					
Debtors	5	22,926		17,597	
Cash at Bank and in Hand		27,087		113,701	
		<u>50,013</u>		<u>131,298</u>	
CREDITORS: Amounts Falling Due Within One Year					
Amounts Owed to Group					
Undertakings		45,000		115,000	
Taxation and Social Security		15,488		25,974	
Other Creditors		61,116		71,116	
		<u>121,604</u>		<u>212,090</u>	
NET CURRENT LIABILITIES			(71,591)		(80,792)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>£ 1,336,530</u>		<u>£ 1,199,829</u>
CAPITAL AND RESERVES					
Called Up Share Capital	6		100		100
Revaluation Reserve	7		1,253,472		1,117,262
Profit and Loss Account	8		82,958		82,467
			<u>£ 1,336,530</u>		<u>£ 1,199,829</u>
SHAREHOLDERS FUNDS					

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 14th July 1998
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 1998

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:

	1998	1997
	£	£
Directors Emoluments	41,000	41,000
Auditors Remuneration	1,116	1,116

3. TANGIBLE FIXED ASSETS

Land and Buildings	1998	1997
Balance Brought Forward	1,267,000	1,153,500
Improvements to Property	-	6,014
Disposals	(39,500)	(105,514)
Revaluation	167,000	213,000
Balance Carried Forward	£ 1,394,500	£ 1,267,000

The original cost of land and buildings was £141,027 (1997 - £149,737). A potential estimated liability to corporation tax of £170,000 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 1998
 (Continued)

4. FIXED ASSET INVESTMENTS

	1998	1997
Shares in Unlisted Company	£ 13,621	£ 13,621

5. DEBTORS

	1998	1997
Trade Debtors	334	97
Others	22,592	17,500
	£ 22,926	£ 17,597

The aggregate amount of debtors falling due after one year is £16,130
 (1997 - £17,500).

6. SHARE CAPITAL

	1998	1997
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	1,117,262	967,945
Surplus on Revaluation of Property	167,000	213,000
Transfer to Profit and Loss Account re Disposal of Property	(30,790)	(63,683)
Balance Carried Forward	£ 1,253,472	£ 1,117,262

ELMDENE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

(Continued)

8. PROFIT AND LOSS ACCOUNT

	1998	1997
Balance Brought Forward	82,467	71,294
Retained Loss for the Year	(30,299)	(52,510)
Transfer from Revaluation Reserve	30,790	63,683
	£ 82,958	£ 82,467

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 1998.

10. RELATED PARTIES

During the year the company repaid £70,000 in relation to a loan from Belgravia Finance Co.(1990) Ltd (parent company). The resulting balance outstanding at 31st March 1998 is £45,000. There were no other material transactions with related parties.

The company is ultimately controlled by Mr E.J.Van Dooren.

11. INTERESTS IN SHARE CAPITAL

A partner in the Company's auditors has a trustee holding in 968,090 ordinary shares in the parent company, representing 21.28% of the issued share capital.