

ELMDENE PROPERTY INVESTMENTS LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000**

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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 2000**

The directors present their annual report and the audited accounts of the Company for the year ended 31st March 2000.

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. Neville, 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 31.03.2000	At 31.03.1999
Mr. E. J. Van Dooren	1,493,431	1,497,681
Mrs. S. Van Dooren	19,326	23,576
Miss L. Van Dooren	579,102	579,102
Mrs. S. Neville	898,149	902,399
Mrs. M. Goodwin	544,458	544,458
Mr. E. J. Van Dooren and Mrs. S. Van Dooren – Trustee Holding	492,000	483,500
Mrs. P. Crawford – Trustee Holding	215,090	215,090
Mrs. S. Neville – Trustee Holding	286,500	282,250

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

6/12/00

ELMDENE PROPERTY INVESTMENTS LIMITED**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000****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 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 2000, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


HELMORES

Chartered Accountants and Registered Auditor

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

6/12/00

ELMDENE PROPERTY INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2000**

		2000	1999
	Notes	£	£
PROPERTY INCOME		116,822	107,817
Property Expenses		80,488	35,913
NET RENTAL INCOME		36,334	71,904
Administrative Expenses		34,865	38,049
OPERATING PROFIT	2	9,756	33,855
Profit/(Loss) on Disposal of Property		-	1,956
Profit/(Loss) on Disposal of Investment		(7,095)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		2,661	35,811
Income from Fixed Asset Investments		30,562	863
Interest Receivable		-	20
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,223	36,694
Tax on Profit on Ordinary Activities		1,951	13,026
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		31,272	23,668
Dividends		30,000	60,000
RETAINED PROFIT/(LOSS) FOR THE YEAR		1,272	(36,332)
Transfer from Revaluation Reserve		-	41,544
Balance Brought Forward		88,170	82,958
BALANCE CARRIED FORWARD		<u>89,442</u>	<u>88,170</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 2000****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2000 £	1999 £
Profit for the Financial Year	31,272	23,668
Unrealised Surplus on Revaluation of Properties	359,000	172,500
	<u>390,272</u>	<u>196,168</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2000 £	1999 £
Reported Profit on Ordinary Activities Before Taxation	33,223	36,694
Realisation of Property Revaluation Gains of Previous Years	-	41,544
	<u>33,223</u>	<u>78,238</u>
Historical Cost Profit on Ordinary Activities Before Taxation	<u>33,223</u>	<u>78,238</u>
Retained Historical Cost Profit/(Loss) for the Year	<u>1,272</u>	<u>5,212</u>

**RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS**

	2000 £	1999 £
Total Recognised Gains and Losses for the Year	390,272	196,168
Dividends	(30,000)	(60,000)
	<u>360,272</u>	<u>136,168</u>
Movement in Shareholders Funds Opening Shareholders Funds	1,472,698	1,336,530
	<u>1,832,970</u>	<u>1,472,698</u>
Closing Shareholders Funds	<u>1,832,970</u>	<u>1,472,698</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET
AT 31ST MARCH 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3	1,882,500		1,523,500	
Investments	4	-		13,621	
		<u>1,882,500</u>		<u>1,537,121</u>	
CURRENT ASSETS					
Debtors	5	4,152		5,038	
Cash at Bank and in Hand		<u>409</u>		<u>21,451</u>	
		<u>4,561</u>		<u>26,489</u>	
CREDITORS: Amounts Falling Due Within One Year					
Amounts Owed to Group Companies		21,000		29,000	
Taxation and Social Security		1,951		772	
Other Creditors		<u>31,140</u>		<u>61,140</u>	
		<u>54,091</u>		<u>90,912</u>	
NET CURRENT LIABILITIES			(49,530)		(64,423)
NET ASSETS			<u>1,832,970</u>		<u>1,472,698</u>
CAPITAL AND RESERVES					
Called Up Share Capital	6	100		100	
Revaluation Reserve	7	1,743,428		1,384,428	
Profit and Loss Account		89,442		88,170	
SHAREHOLDERS FUNDS			<u>1,832,970</u>		<u>1,472,698</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 6/12/00
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 2000****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 Middlesex Property Management Limited. 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 and 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:

	2000	1999
	£	£
Directors Emoluments	31,000	34,000
Auditors Remuneration	1,140	1,140

3. TANGIBLE FIXED ASSETS

	£
Land and Buildings	
Opening Balance	1,523,500
Revaluation	359,000
Closing Balance	<u>1,882,500</u>
Net Book Value - 2000	<u>1,882,500</u>
Net Book Value - 1999	<u>1,523,500</u>

The original cost of land and buildings included at valuation was £138,500 (1999 - £138,500). A potential estimated liability to corporation tax of £270,000 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 2000
(Continued)

4. FIXED ASSET INVESTMENTS

	2000 £	1999 £
Shares in Unlisted Company	<u>-</u>	<u>13,621</u>

5. DEBTORS

	2000 £	1999 £
Trade Debtors	492	1,378
Others	<u>3,660</u>	<u>3,660</u>
	<u>4,152</u>	<u>5,038</u>

The aggregate amount of debtors falling due after one year amounts to £3,660 (1999 - £3,660).

6. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
1,000 Shares of £1 Each	<u>1,000</u>	<u>1,000</u>
Issued and Fully Paid:		
100 Shares of £1 Each	<u>100</u>	<u>100</u>

7. REVALUATION RESERVE

	2000 £	1999 £
Balance Brought Forward	1,384,428	1,253,472
Surplus on Revaluation of Property	359,000	172,500
Disposals of Property	<u>-</u>	<u>(41,544)</u>
	<u>1,743,428</u>	<u>1,384,428</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000
(Continued)**

8. 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 2000.

9. RELATED PARTIES

During the year the company repaid £8,000 in relation to a loan from Belgravia Finance Co. (1990) Limited (the Parent Company). The resulting balance outstanding at 31st March 2000 is £21,000. There were no other material transactions with related parties.

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

10. INTERESTS IN SHARE CAPITAL

A partner in the company's auditors has a trustee holding in 993,590 ordinary shares in the parent company, representing 21.85% of the issued share capital.