

ELMDENE PROPERTY INVESTMENTS LIMITED

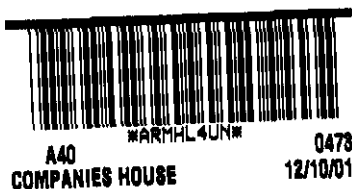
**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2001**

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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 2001**

The directors present their annual report and the audited accounts of the Company for the year ended 31st March 2001.

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 31.03.2001	At 31.03.2000
Mr. E. J. Van Dooren	1,489,181	1,493,431
Mrs. S. Van Dooren	15,076	19,326
Miss L. Van Dooren	579,102	579,102
Mrs. S. Nevile	893,899	898,149
Mrs. M. Goodwin	544,458	544,458
Mr. E. J. Van Dooren and Mrs. S. Van Dooren – Trustee Holding	500,500	492,000
Mrs. P. Crawford – Trustee Holding	215,090	215,090
Mrs. S. Nevile – Trustee Holding	290,750	286,500

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

26 June 2001

ELMDENE PROPERTY INVESTMENTS LIMITED

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2001

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.

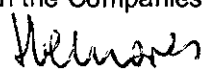
Basis of Opinion

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 2001, 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

26 June 2001

ELMDENE PROPERTY INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2001**

		2001	2000
	Notes	£	£
PROPERTY INCOME		133,228	125,109
Property Expenses		91,818	80,488
NET RENTAL INCOME		41,410	44,621
Administrative Expenses		40,931	34,865
OPERATING PROFIT	2	479	9,756
Profit/(Loss) on Disposal of Property		-	(7,095)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		479	2,661
Income from Fixed Asset Investments		-	30,562
Interest Receivable		3	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		482	33,223
Tax on Profit on Ordinary Activities		96	1,951
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		386	31,272
Dividends		-	30,000
RETAINED PROFIT/(LOSS) FOR THE YEAR		386	1,272
Balance Brought Forward		89,442	88,170
BALANCE CARRIED FORWARD		<u>89,828</u>	<u>89,442</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 2001****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2001	2000
	£	£
Profit for the Financial Year	386	31,272
Unrealised Surplus on Revaluation of Properties	57,000	359,000
	<u>57,386</u>	<u>390,272</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2001	2000
	£	£
Reported Profit on Ordinary Activities Before Taxation	482	33,223
Realisation of Property Revaluation Gains of Previous Years	<u>-</u>	<u>-</u>
Historical Cost Profit on Ordinary Activities Before Taxation	<u>482</u>	<u>33,223</u>
Retained Historical Cost Profit/(Loss) for the Year	<u>386</u>	<u>1,272</u>

**RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS**

	2001	2000
	£	£
Total Recognised Gains and Losses for the Year	57,386	390,272
Dividends	-	(30,000)
Movement in Shareholders Funds	<u>57,386</u>	<u>360,272</u>
Opening Shareholders Funds	1,832,970	1,472,698
Closing Shareholders Funds	<u>1,890,356</u>	<u>1,832,970</u>

ELMDENE PROPERTY INVESTMENTS LIMITED**BALANCE SHEET
AT 31ST MARCH 2001**

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		1,939,500		1,882,500
CURRENT ASSETS					
Debtors	4	10,232		4,152	
Cash at Bank and in Hand		<u>14,130</u>		<u>409</u>	
		24,362		4,561	
CREDITORS: Amounts Falling Due Within One Year					
Amounts Owed to Group Companies		72,000		21,000	
Taxation and Social Security		96		1,951	
Other Creditors		<u>1,410</u>		<u>31,140</u>	
		73,506		54,091	
NET CURRENT LIABILITIES			(49,144)		(49,530)
NET ASSETS			<u>1,890,356</u>		<u>1,832,970</u>
CAPITAL AND RESERVES					
Called Up Share Capital	5		100		100
Revaluation Reserve	6		1,800,428		1,743,428
Profit and Loss Account			89,828		89,442
SHAREHOLDERS FUNDS			<u>1,890,356</u>		<u>1,832,970</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 26 June 2001
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 2001

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:

	2001	2000
	£	£
Directors Emoluments	37,000	31,000
Auditors Remuneration	1,680	1,140

3. TANGIBLE FIXED ASSETS

	£
Land and Buildings	
Opening Balance	1,882,500
Revaluation	57,000
Closing Balance	<u>1,939,500</u>
Net Book Value - 2001	<u>1,939,500</u>
Net Book Value - 2000	<u>1,882,500</u>

The original cost of land and buildings included at valuation was £138,500 (2000 - £138,500). A potential estimated liability to corporation tax of £277,500 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 2001
(Continued)

4. DEBTORS

	2001	2000
	£	£
Trade Debtors	572	492
Others	9,660	3,660
	<u>10,232</u>	<u>4,152</u>

The aggregate amount of debtors falling due after one year amounts to £3,660 (2000 - £3,660).

5. SHARE CAPITAL

	2001	2000
	£	£
Authorised:		
1,000 Shares of £1 Each	1,000	1,000
Issued and Fully Paid:		
100 Shares of £1 Each	100	100

6. REVALUATION RESERVE

	2001	2000
	£	£
Balance Brought Forward	1,743,428	1,384,428
Surplus on Revaluation of Property	57,000	359,000
	<u>1,800,428</u>	<u>1,743,428</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2001
(Continued)**

7. 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 2001.

8. RELATED PARTIES

At 31 March 2001 the company owed Belgravia Finance Co. (1990) Limited (the Parent Company) £72,000.

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

9. INTERESTS IN SHARE CAPITAL

A partner in the company's auditors has a trustee holding in 1,006,340 ordinary shares in the parent company, representing 22.13% of the issued share capital.