

ELMDENE PROPERTY INVESTMENTS LIMITED

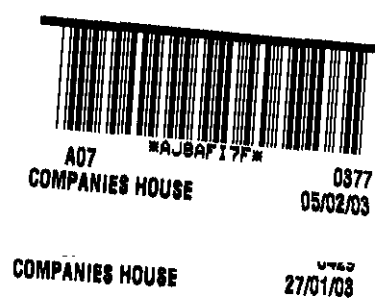
**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2002**

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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 2002

The directors present their annual report and the audited accounts of the Company for the year ended 31st March 2002.

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.

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.

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 31.03.2002	At 31.03.2001
Mr. E. J. Van Dooren	1,484,931	1,489,181
Mrs. S. Van Dooren	10,826	15,076
Miss L. Van Dooren	579,102	579,102
Mrs. S. Neville	889,649	893,899
Mrs. M. Goodwin	544,458	544,458
Mr. E. J. Van Dooren and Mrs. S. Van Dooren – Trustee Holding	504,750	500,500
Mrs. P. Crawford – Trustee Holding	215,090	215,090
Mrs. S. Neville – Trustee Holding	295,000	290,750

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

21 August 2002

ELMDENE PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ELMDENE PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Elmdene Property Investments Limited for the year ended 31st March 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2002 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 Auditors
Grosvenor Gardens House
35/37 Grosvenor Gardens
London SW1W 0BY

21 August 2002

ELMDENE PROPERTY INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002**

		2002	2001
	Notes	£	£
PROPERTY INCOME		136,231	133,228
Property Expenses		54,165	91,818
NET RENTAL INCOME		82,066	41,410
Administrative Expenses		24,514	40,931
OPERATING PROFIT	2	57,552	479
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		57,552	479
Interest Receivable		-	3
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		57,552	482
Tax on Profit on Ordinary Activities		11,462	96
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		46,090	386
Dividends		45,000	-
RETAINED PROFIT FOR THE YEAR		1,090	386
Balance Brought Forward		89,828	89,442
BALANCE CARRIED FORWARD		<u>90,918</u>	<u>89,828</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 2002****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2002 £	2001 £
Profit for the Financial Year	46,090	386
Unrealised Surplus on Revaluation of Properties	892,500	57,000
	<u>938,590</u>	<u>57,386</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2002 £	2001 £
Reported Profit on Ordinary Activities Before Taxation	57,552	482
Realisation of Property Revaluation Gains of Previous Years	<u>-</u>	<u>-</u>
Historical Cost Profit on Ordinary Activities Before Taxation	<u>57,552</u>	<u>482</u>
Retained Historical Cost Profit for the Year	<u>1,090</u>	<u>386</u>

**RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS**

	2002 £	2001 £
Total Recognised Gains and Losses for the Year	938,590	57,386
Dividends	(45,000)	-
Movement in Shareholders Funds	<u>893,590</u>	<u>57,386</u>
Opening Shareholders Funds	1,890,356	1,832,970
Closing Shareholders Funds	<u>2,783,946</u>	<u>1,890,356</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET
AT 31ST MARCH 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		2,832,000		1,939,500
CURRENT ASSETS					
Debtors	4	11,350		10,232	
Cash at Bank and in Hand		<u>20,985</u>		<u>14,130</u>	
		<u>32,335</u>		<u>24,362</u>	
CREDITORS: Amounts Falling Due Within One Year					
Amounts Owed to Group Companies		20,000		72,000	
Taxation and Social Security		11,510		96	
Other Creditors		<u>48,879</u>		<u>1,410</u>	
		<u>80,389</u>		<u>73,506</u>	
NET CURRENT LIABILITIES			(48,054)		(49,144)
NET ASSETS			<u><u>2,783,946</u></u>		<u><u>1,890,356</u></u>
CAPITAL AND RESERVES					
Called Up Share Capital	5		100		100
Revaluation Reserve	6		2,692,928		1,800,428
Profit and Loss Account			90,918		89,828
SHAREHOLDERS FUNDS			<u><u>2,783,946</u></u>		<u><u>1,890,356</u></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 21 August 2002
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 2002

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:

	2002	2001
	£	£
Directors Emoluments	22,000	37,000
Auditors Remuneration	1,627	1,680

3. TANGIBLE FIXED ASSETS

	£
Land and Buildings	
Opening Balance	1,939,500
Revaluation	892,500
Closing Balance	<u>2,832,000</u>
Net Book Value - 2002	<u>2,832,000</u>
Net Book Value - 2001	<u>1,939,500</u>

The original cost of land and buildings included at valuation was £138,500 (2001 - £138,500). A potential estimated liability to corporation tax of £545,250 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 2002
(Continued)

4. DEBTORS

	2002	2001
	£	£
Trade Debtors	1,690	572
Others	9,660	9,660
	<u>11,350</u>	<u>10,232</u>

The aggregate amount of debtors falling due after one year amounts to £3,660 (2001 - £3,660).

5. SHARE CAPITAL

	2002	2001
	£	£
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>

6. REVALUATION RESERVE

	2002	2001
	£	£
Balance Brought Forward	1,800,428	1,743,428
Surplus on Revaluation of Property	892,500	57,000
	<u>2,692,928</u>	<u>1,800,428</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2002
(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 2002.

8. RELATED PARTIES

At 31 March 2002 the company owed Belgravia Finance Co. (1990) Limited (the Parent Company) £20,000 (2001:£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 1,019,090 ordinary shares in the parent company, representing 22.41% of the issued share capital.