

ELMDENE PROPERTY INVESTMENTS LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2004**

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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 2004**

The directors present their annual report and the audited accounts of the Company for the year ended 31st March 2004.

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.

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 31.03.2004	At 31.03.2003
Mr. E. J. Van Dooren	746,431	1,480,681
Mrs. S. Van Dooren	732,326	6,576
Miss L. Van Dooren	579,102	579,102
Mrs. S. Nevile	881,149	885,399
Mrs. M. Goodwin	544,458	544,458
Mr. E. J. Van Dooren and Mrs. S. Van Dooren – Trustee Holding	526,000	517,500
Mrs. P. Crawford – Trustee Holding	215,090	215,090
Mrs. S. Nevile – Trustee Holding	303,500	299,250

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

10 August 2004

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 2004 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 as modified by the revaluation of land and buildings and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

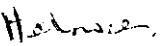
BASIS OF AUDIT OPINION

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 2004 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

10 August 2004

ELMDENE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2004

		2004	2003
	Notes	£	£
PROPERTY INCOME		146,611	141,883
Property Expenses		59,915	47,108
NET RENTAL INCOME		86,696	94,775
Administrative Expenses		29,806	22,701
OPERATING PROFIT	2	56,890	72,074
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		56,890	72,074
Interest Receivable		36	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		56,926	72,074
Tax on Profit on Ordinary Activities		10,729	15,441
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		46,197	56,633
Dividends		45,000	54,000
RETAINED PROFIT FOR THE YEAR		1,197	2,633
Balance Brought Forward		93,549	90,916
BALANCE CARRIED FORWARD		<u>94,746</u>	<u>93,549</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 2004****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2004 £	2003 £
Profit for the Financial Year	46,197	56,633
Unrealised Surplus on Revaluation of Properties	656,000	28,000
	<u>702,197</u>	<u>84,633</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2004 £	2003 £
Reported Profit on Ordinary Activities Before Taxation	<u>56,926</u>	<u>72,074</u>
Historical Cost Profit on Ordinary Activities Before Taxation	<u>56,926</u>	<u>72,074</u>
Retained Historical Cost Profit for the Year	<u>1,197</u>	<u>2,633</u>

**RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS**

	2004 £	2003 £
Total Recognised Gains and Losses for the Year	702,197	84,633
Dividends	(45,000)	(54,000)
Movement in Shareholders Funds	<u>657,197</u>	<u>30,633</u>
Opening Shareholders Funds	2,814,577	2,783,944
Closing Shareholders Funds	<u>3,471,774</u>	<u>2,814,577</u>

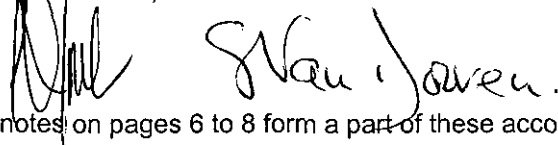
ELMDENE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET
AT 31ST MARCH 2004

		2004		2003	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		3,516,000		2,860,000
CURRENT ASSETS					
Debtors	4	40,324		16,714	
Cash at Bank and in Hand		<u>28,943</u>		<u>24,022</u>	
		<u>69,267</u>		<u>40,736</u>	
CREDITORS: Amounts Falling Due Within One Year					
Amounts Owed to Group Companies		56,000		15,000	
Taxation and Social Security		10,816		15,441	
Other Creditors		<u>46,677</u>		<u>55,718</u>	
		<u>113,493</u>		<u>86,159</u>	
NET CURRENT LIABILITIES			(44,226)		(45,423)
NET ASSETS			<u><u>3,471,774</u></u>		<u><u>2,814,577</u></u>
CAPITAL AND RESERVES					
Called Up Share Capital	5		100		100
Revaluation Reserve	6		3,376,928		2,720,928
Profit and Loss Account			94,746		93,549
SHAREHOLDERS FUNDS			<u><u>3,471,774</u></u>		<u><u>2,814,577</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 10 August 2004
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 2004****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:

	2004	2003
	£	£
Directors Emoluments	26,000	20,000
Auditors Remuneration	2,207	1,362

3. TANGIBLE FIXED ASSETS

	£
Land and Buildings	
Opening Balance	2,860,000
Revaluation	656,000
Closing Balance	<u>3,516,000</u>
Net Book Value - 2004	<u>3,516,000</u>
Net Book Value - 2003	<u>2,860,000</u>

The original cost of land and buildings included at valuation was £143,820 (2003 - £143,820). A potential estimated liability to corporation tax of £742,000 (2003: £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 2004
(Continued)

4. DEBTORS

	2004	2003
	£	£
Trade Debtors	30,664	121
Others	9,660	16,593
	<u>40,324</u>	<u>16,714</u>

The aggregate amount of debtors falling due after one year amounts to £3,660 (2003 - £3,660).

5. SHARE CAPITAL

	2004	2003
	£	£
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

	2004	2003
	£	£
Balance Brought Forward	2,720,928	2,692,928
Surplus on Revaluation of Property	656,000	28,000
	<u>3,376,928</u>	<u>2,720,928</u>

ELMDENE PROPERTY INVESTMENTS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2004
(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 2004.*

8. RELATED PARTIES

At 31 March 2004 the company owed Belgravia Finance Co. (1990) Limited (the Parent Company) £56,000 (2003:£15,000).

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 1,044,590 ordinary shares in the parent company, representing 22.97% of the issued share capital.