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Company Registration No. 03504792 (England and Wales)

AGGMORE COMMERCIAL PROPERTIES
LIMITED

(FORMERLY KENMORE COMMERCIAL
PROPERTIES LIMITED)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2004



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AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
COMPANY INFORMATION

Directors	W G R Thomson C W Marsden J A B Kennedy
Secretary	A Bradburn
Company number	03504792
Registered office	35 Dover Street London W1S 4NQ
Business address	35 Dover Street London W1S 4NQ
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Solicitors	Richards Butler Beaufort House 15 St Botolph Street London EC3A 7EE Spratt Endicott 52-54 The Green Banbury Oxfordshire OX16 9AB

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
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AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2004

The directors present their report and accounts for the year ended 31 July 2004.

Principal activities

The principal activity of the company continues to be that of property investment. The company changed its name to Aggmore Commercial Properties Limited on 12 November 2003.

Review of business

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends

The profit for the year after taxation amounted to £236,508.

The directors recommend payment of an ordinary dividend amounting to £423,530.

Directors and their interests

The directors at 31 July 2004 and their beneficial interests in the shares of the company were:

	Ordinary shares of £ 1 each	
	31 July 2004	1 August 2003
W G R Thomson	-	-
C W Marsden	-	-
J A B Kennedy	-	-

W G R Thomson and J A B Kennedy are directors of Kenmore Investments Limited, which had an interest until 24 June 2004 in Aggmore 2 Limited, the holding company of Aggmore Commercial Properties Limited. Furthermore, W G R Thomson, J A B Kennedy and C W Marsden are directors of Aggmore 2 Limited.

Auditors

A resolution proposing the reappointment of H W Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board



C W Marsden

Director

Dated: 21/2/05

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS

We have audited the accounts of Aggmore Commercial Properties Limited for the year ended 31 July 2004 set out on pages 4 to 11. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

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 auditors' 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

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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.

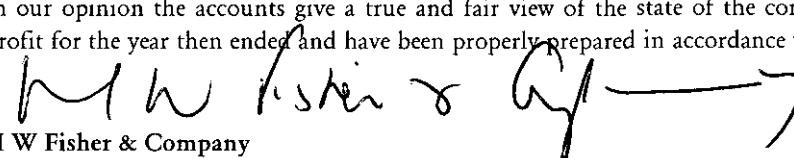
Basis of audit opinion

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 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 31 July 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


H W Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

Dated: 3.7.05

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2004

	Notes	2004 £	2003 £
Turnover	2	937,293	929,541
Cost of sales		(19,536)	(35,253)
Gross profit		917,757	894,288
Administrative expenses		(110,953)	(159,677)
Operating profit	3	806,804	734,611
Profit on sale of investment properties		-	(30,291)
Profit on ordinary activities before interest		806,804	704,320
Other income	4	8,458	63,839
Interest payable and similar charges	5	(578,754)	(1,013,487)
Profit/(loss) on ordinary activities before taxation		236,508	(245,328)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) on ordinary activities after taxation		236,508	(245,328)
Dividends	7	(423,530)	-
Net deficit for the financial year		(187,022)	(245,328)
Retained profit brought forward		287,022	404,332
Transfers from revaluation reserve		-	128,018
Retained profit carried forward		100,000	287,022

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2004

	2004	2003
	£	£
Profit/(loss) for the financial year	236,508	(245,328)
Unrealised surplus on revaluation of properties	1,575,000	830,000
	<u>1,811,508</u>	<u>584,672</u>
Total recognised gains and losses relating to the year	<u>1,811,508</u>	<u>584,672</u>

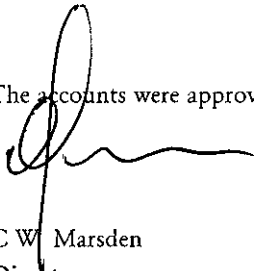
NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2004	2003
	£	£
Reported profit/(loss) on ordinary activities before taxation	236,508	(245,328)
Realisation of property revaluation gains of previous years	-	128,018
	<u>236,508</u>	<u>(117,310)</u>
Historical cost profit/(loss) on ordinary activities before taxation	<u>236,508</u>	<u>(117,310)</u>
Historical cost loss for the year retained after taxation, extraordinary items and dividends	<u>(187,022)</u>	<u>(117,310)</u>

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
BALANCE SHEET
AS AT 31 JULY 2004

	Notes	£	2004 £	£	2003 £
Fixed assets					
Tangible assets	8		11,615,000		10,040,000
Current assets					
Debtors	9	46,489		48,623	
Cash at bank and in hand		-		17,535	
		<u>46,489</u>		<u>66,158</u>	
Creditors: amounts falling due within one year	10	<u>(241,278)</u>		<u>(280,878)</u>	
Net current liabilities			<u>(194,789)</u>		<u>(214,720)</u>
Total assets less current liabilities			11,420,211		9,825,280
Creditors: amounts falling due after more than one year	11		<u>(7,322,988)</u>		<u>(7,116,035)</u>
			<u>4,097,223</u>		<u>2,709,245</u>
Capital and reserves					
Called up share capital	12		2		2
Revaluation reserve	13		3,997,221		2,422,221
Profit and loss account			<u>100,000</u>		<u>287,022</u>
Shareholders' funds - all equity interests	14		<u>4,097,223</u>		<u>2,709,245</u>

The accounts were approved by the Board on 21/2/05


C W Marsden
Director

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2004

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and on a going concern basis, the validity of which is dependent upon the support of its holding company.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the invoiced value of rent received net of VAT.

1.3 Tangible fixed assets and depreciation

In accordance with Statement of Standard Accounting Practice No. 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold properties. It is the opinion of the directors that, as these properties are held for investment purposes and not for consumption, a systematic annual charge for depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is one of several factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately quantified.

1.4 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	3,250	3,250
	<u>3,250</u>	<u>3,250</u>

4 Other income

	2004	2003
	£	£
Interest receivable and similar income	8,458	63,839
	<u>8,458</u>	<u>63,839</u>

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2004

5	Interest payable and similar charges			2004	2003
				£	£
	Interest payable on:				
	Bank loans and overdrafts			578,754	1,013,487
				<u> </u>	<u> </u>
6	Tax on profit/(loss) on ordinary activities	2004	2004	2003	2003
		£	£	£	£
	Current tax				
	<u>UK corporation tax</u>				
	Current tax on income for the period	-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
			-		-
			<u> </u>		<u> </u>
	Factors affecting the tax charge for the year				
	Profit/(loss) on ordinary activities before taxation		236,508		(245,328)
			<u> </u>		<u> </u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 19.00%)		70,952		(46,612)
	Effects of:				
	Expenses not deductible for tax purposes		66		(3,898)
	Capital allowances for period in excess of depreciation		(43,325)		(35,773)
	Movement in tax losses		(27,693)		63,296
	Difference between taxable gain and accounts profit on asset disposal		-		23,352
	Other tax adjustments		-		(365)
			<u> </u>		<u> </u>
	Current tax charge		-		-
			<u> </u>		<u> </u>
7	Dividends			2004	2003
				£	£
	Ordinary final proposed			423,530	-
				<u> </u>	<u> </u>

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2004

8 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 August 2003	10,040,000
Revaluation	1,575,000
	<u> </u>
At 31 July 2004	<u>11,615,000</u>
Depreciation	
At 1 August 2003 and at 31 July 2004	-
	<u> </u>
Net book value	
At 31 July 2004	<u>11,615,000</u>
	<u> </u>
At 31 July 2003	<u>10,040,000</u>

The net book value of land and buildings comprises:	2004 £	2003 £
Freeholds	8,965,000	7,920,000
Long leaseholds (over 50 years)	2,650,000	2,120,000
	<u>11,615,000</u>	<u>10,040,000</u>

The properties were valued on an existing use basis by CBRE, chartered surveyors, on 10 June 2004.

The properties are held as longterm investments with no plans for disposal. Accordingly, no provision has been made for deferred tax in respect of the revaluation.

Comparable historical cost for the land and buildings included at valuation:	£
Cost	
Historical cost at 1 August 2003 and 31 July 2004	<u>7,617,779</u>
Depreciation based on cost	
At 1 August 2003	809,968
Charge for the year	152,356
	<u> </u>
At 31 July 2004	<u>962,324</u>
Net book values	
At 31 July 2004	<u>6,655,455</u>
	<u> </u>
At 31 July 2003	<u>6,807,811</u>

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2004

9 Debtors	2004	2003
	£	£
Trade debtors	35,803	20,832
Other debtors	9,336	26,450
Prepayments and accrued income	1,350	1,341
	<u>46,489</u>	<u>48,623</u>
10 Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	16,371	29,269
Taxes and social security costs	54,470	78,069
Other creditors	20,597	20,597
Accruals and deferred income	149,840	152,943
	<u>241,278</u>	<u>280,878</u>
11 Creditors: amounts falling due after more than one year	2004	2003
	£	£
Amounts owed to group undertakings	7,322,988	7,116,035
	<u>7,322,988</u>	<u>7,116,035</u>
At 31 July 2004, the amounts owed to group undertakings included £7,037,153 (2003: £6,826,120) due to Aggmore 2 Limited. Included in the balance due to Aggmore 2 Limited is a loan of £8,418,360 (2003: £8,873,156) due to Leeds & Holbeck Building Society (2003: Anglo Irish Bank Corporation). This loan is fully secured by a first fixed charge over the shares of Aggmore Commercial Properties Limited, a first fixed charge over any rent and service charge account and a first floating charge over the entire assets and undertakings of Aggmore Commercial Properties Limited. No interest is due on the balance with Aggmore 2 Limited, other than that charged as management fees, to cover the interest charged on the Leeds & Holbeck bank loan.		
12 Share capital	2004	2003
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

AGGMORE COMMERCIAL PROPERTIES LIMITED
(FORMERLY KENMORE COMMERCIAL PROPERTIES LIMITED)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2004

13 Statement of movements on reserves

	Revaluation reserve £
Balance at 1 August 2003	2,422,221
Revaluation during the year	1,575,000
Balance at 31 July 2004	3,997,221

14 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit/(loss) for the financial year	236,508	(245,328)
Dividends	(423,530)	-
	(187,022)	(245,328)
Other recognised gains and losses	1,575,000	830,000
Net addition to shareholders' funds	1,387,978	584,672
Opening shareholders' funds	2,709,245	2,124,573
Closing shareholders' funds	4,097,223	2,709,245

15 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 from the requirement to disclose details of transactions with group companies.

16 Controlling parties

The ultimate controlling party and ultimate parent undertaking is Aggmore Properties Limited.