CHAMPORT SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2003



Registration Number: 3958021
(Registered in England and Wales)

CHAMPORT SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2003

Company Registration Number:	3958021
Registered Office:	4 Tunstall Road London SW9 8BN
Director:	Mrs Tina Kinsella
Secretary:	Edward Knight Esq.
Bankers:	National Westminster Bank Plc. Brixton Branch 504 Brixton Road London SW9 8EB The Woolwich 1st Floor Drake House Anchor Boulevard Crossways Business Park Dartford DA2 6QH
Solicitors:	Amphlett Lissimore Solicitors 29 Westow Street Crystal Palace London SE19 3RW
Auditors:	Leroy Reid & Co. Chartered Certified Accountants & Registered Auditors 299 Northborough Road Norbury London SW16 4TR

CHAMPORT SERVICES LIMITED
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YEAR ENDED 30TH JUNE 2003

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CHAMPORT SERVICES LIMITED
DIRECTOR'S REPORT FOR THE YEAR ENDED 30TH JUNE 2003

The director presents her report and the financial statements for the year ended 30th June 2003.

Statement of Director's Responsibilities

Company law requires the director to prepare financial statements 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 financial statements, the director is required to:

1. Select suitable accounting policies and then apply them consistently

2. Make judgements and estimates that are reasonable and prudent

3. Prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will continue in business.

The director is responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

Principal activity and review of business

The company's principal activity is that of the purchase of investment property and letting of residential properties.

The results for the year are set out on page 5. The director considers the profit achieved on ordinary activities before taxation to be particularly satisfactory given the difficult trading conditions.

Adequate finance has been obtained to take advantage of business opportunities, and the director considers the state of affairs to be satisfactory.

Future Developments

The company has acquired a new property after the financial year end and is actively purchasing another in November 2003.

Fixed assets

The properties were not revalued during the year. The director considers that the balance sheet value is not materially different from the market value.

CHAMPORT SERVICES LIMITED
DIRECTOR'S REPORT FOR THE YEAR ENDED 30TH JUNE 2003

Director and her interests

The director who served during the period and her interest in the company is as stated below.

	2003	2002
	Ordinary Shares	
Mrs Tina Kinsella	1	1

Mrs Tina Kinsella held no beneficial interest in the debentures of the company. The director is also a director of South Chelsea College Limited and her interest in the share capital of that company is disclosed in the financial statements.

Creditors Payment Policy

It is the company's policy to maintain good relationships with its suppliers. Payment terms are agreed with each supplier in advance and these terms are adhered to.

Post Balance Sheet events

The company purchases leasehold premises at No 3 Aldwych Buildings on 26 August 2003, financed by a Natwest Mortgage Loan plan.

Auditors

The auditors, Leroy Reid & Co. will be proposed for reappointment in accordance with s.385 of the Companies Act 1985.

This report was approved by the board on 3rd December 2003 and signed on its behalf.

Edward Knight Esq.
Company Secretary

CHAMPORT SERVICES LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAMPORT SERVICES LIMITED

We have audited the financial statements of Champort Services Limited for the year ended 30 June 2003 on pages 5 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 7.

Respective responsibilities of Directors and Auditors

As described in the Statement of Director's Responsibilities on page 1, the company's director is responsible for the preparation of the financial statement in accordance with applicable law and United Kingdom Accounting Standards.

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

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

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

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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

CHAMPORT SERVICES LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAMPORT SERVICES LIMITED

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30th June 2003 and it loss for the period then ended and have properly prepared in accordance with the Companies Act 1985.

LEROY REID & CO
CHARTERED CERTIFIED ACCOUNTANTS & REGISTERED AUDITORS
299 Northborough Road
Norbury
London SW16 4TR

3rd December 2003

CHAMPORT SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2003

	Notes	2003	2002
Turnover		30,922	25,630
Administrative expenses		(15,017)	(13,099)
Operating profit		15,905	12,531
Interest receivable and similar income		35	-
Interest payable and similar charges	3	(8,197)	(10,387)
Profit on ordinary activities before taxation	2	7,743	2,144
Taxation on profit on ordinary activities	4	168	(168)
Profit for the financial year		7,911	1,976
Retained loss brought forward		(9,851)	(11,827)
Retained loss carried forward		(£1,940)	(£9,851)

There were no recognised gains and losses for 2003 other than those included in the profit and loss account.

None of the company's activities were acquired or discontinued during the period.

The accompanying notes form an integral part of these accounts.

CHAMPORT SERVICES LIMITED
BALANCE SHEET AS AT 30TH JUNE 2003

Fixed Assets	**Notes**	**2003**	**2002**
Tangible assets	5	327,057	327,211
Current Assets			
Debtors	6	1,809	644
Cash at bank and in hand		6,511	2,564
		8,320	3,208
Creditors: amounts falling due within one year	7	(13,653)	(12,459)
Net current Liabilities		(5,333)	(9,251)
Total assets less current liabilities		321,724	317,960
Creditors: amounts falling due after more than one year	8	(323,563)	(327,710)
		(£1,839)	(£9,750)
Capital and Reserves			
Called Up Share Capital	10	101	101
Profit and loss Account		(1,940)	(9,851)
Shareholders' funds	11	(£1,839)	(£9,750)

The financial statements were approved by the director on 19th November 2003 and signed on its behalf.

Mrs Tina Kinsella
Director

The accompanying notes form an integral part of the accounts.

CHAMPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003

1. Accounting policies

1.1 Basis of preparation of financial statements

The accounts are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

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

1.2 Turnover

Turnover comprises rental income from domestic property lettings.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	25% Straight line basis

1.4 Investment property

Investment property is stated at its open market value. An independent professional valuation is normally carried out at least every five years, or earlier if appropriate, and in intervening years these valuations are updated by the directors with the assistance of independent professional advice as required. The company's property was only acquired at the end of the financial year and is therefore shown at that value in the balance sheet. The officer is of the opinion that there is no material difference between the current market value and the amount shown in the financial statements.

Compliance with SSAP 19 is a departure from the Companies Act 1985 necessary to give a true and fair view.

In accordance with FRS 11 at the end of each year all Leasehold property with a expected useful life of over 50 years will be reviewed for impairment.

CHAMPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003

2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation are attributable to the principal activity of the company.

The profit / (loss) is stated after charging:	2003	2002
Auditors Remuneration	3,111	2,974
Depreciation	854	679

3. Interest payable and similar charges	2003	2002
Interest payable on Debenture	£8,197	£10,387

4. Taxation	2003	2002
UK Corporation Tax	-	168
Prior year adjustment	(168)	-
	(£168)	£168

All corporation tax losses have been transferred to the ultimate holding company South Chelsea College Limited.

5. Fixed assets	Long Leasehold Land and Buildings	Furniture & Fittings	Total
Cost			
Opening Balance	325,735	2,714	328,449
Additions	-	700	700
At 30th June 2003	325,735	3,414	329,149
Accumulated Depreciation			
Opening Balance	-	1,238	1,238
Charge for the period	-	854	854
At 30th June 2003	-	2,092	2,092
Net Book Value			
as at 30th June 2003	£325,735	£1,322	£327,057
as at 30th June 2002	£325,735	£1,476	£327,211

5. Fixed assets (Contd)

In respect of tangible assets where no depreciation is charged as the asset has a life in excess of 50 years we have reviewed impairment of these assets in accordance with FRS 11 at the end of the year and determined that there is no impairment.

6. Debtor	**2003**	**2002**
Trade debtors	833	433
Other debtors	976	211
	£1,809	£644

7. Creditors: Amounts falling due within one year	**2003**	**2002**
Debenture loans (Note 9)	7,573	7,241
Other creditors including taxation and social security	-	982
Corporation tax	-	168
Accruals and deferred income	6,080	4,068
	£13,653	£12,459

8. Creditors: Amounts falling due after more than one year	**2003**	**2002**
Debenture loans (Note 9)	163,896	171,797
Amounts owed to group undertakings	159,667	155,913
	£323,563	£327,710

CHAMPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003

9. Debeture loans

Repayable by instalments not wholly within five years:	2003	2002
Within one year		
May 2015	4,164	4,250
May 2020	2,036	1,961
May 2025	1,373	1,030
in five years or more		
May 2015	65,698	69,775
May 2020	52,632	54,742
May 2025	45,566	47,280

The debenture loan (May 2015) is secured by a fixed and floating charge over 341 Devon Mansions, SE1 and is repayable over 15 years. The loan was issued at par and carry interest at a rate of 6.00% per annum.

The debenture loan (May 2020) is secured by a fixed and floating charge over 55 Winns Terrace, E17 and is repayable over 20 years. The loan was issued at par and carry an average interest at a rate of 5.94% per annum.

The debenture loan (May 2025) is secured by a fixed and floating charge over 17 Forest Lodge, SE23 and is repayable over 25 years. The loan was issued at par and carry an average interest at a rate of 5.94% per annum.

10. Share Capital	2003	2002
Authorised Share Capital		
1,000 Ordinary shares of £1 each	£1,000	£1,000
Allotted Issued and fully paid Share Capital		
101 Ordinary shares of £1 each	£101	£101

11. Reconciliation of Shareholders funds	2003	2002
Profit for the year	7,911	1,976
Net addition to shareholders	7,911	1,976
Opening shareholders funds	(9,750)	(11,726)
Shareholders' fund	(£1,839)	(£9,750)

12. Capital commitments

At the year end, the company had capital commitments contracted for but not provided for in these financial statements of £242,000 (2002 - Nil).

13. Control

South Chelsea College Limited is the company's immediate and ultimate parent undertaking and Mrs Tina Kinsella who controls 99% of the shares of South Chelsea College Limited is the company's ultimate controlling party.