

Company Registration No. 4183921 (England and Wales)

KENTON BUSINESS CENTRE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2002



KENTON BUSINESS CENTRE LIMITED

COMPANY INFORMATION

Directors	E R Sorsky	(Appointed 21 March 2001)
	H J Sorsky	(Appointed 21 March 2001)
	R Williams	(Appointed 21 March 2001)
	R M Harris	(Appointed 21 March 2001)

Secretary	H J Sorsky
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Company number	4183921
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Registered office	Gable House, 239 Regents Park Road London N3 3LF
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Auditors	F W Stephens & Co 10 Charterhouse Square London EC1M 6LQ
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KENTON BUSINESS CENTRE LIMITED

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KENTON BUSINESS CENTRE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2002

The directors present their report and financial statements for the period ended 30 June 2002.

Principal activities

The company was incorporated on 21st March 2001 and commenced trading on 21st May 2001. The principal activity of the company is that of property investment.

Directors

The following directors have held office since 21 March 2001:

E R Sorsky	(Appointed 21 March 2001)
H J Sorsky	(Appointed 21 March 2001)
R Williams	(Appointed 21 March 2001)
R M Harris	(Appointed 21 March 2001)

Directors' interests

The directors who served during the period are listed above. No director has any beneficial interest in the share capital of the company. The directors' interests in the share capital of Sperm Properties Limited and Cardinal Holdings Limited, each of whom own 50% of the issued share capital, are disclosed in the accounts of those companies.

Auditors

F W Stephens & Co were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



.....
H J Sorsky

Director

13.1.03.....

KENTON BUSINESS CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KENTON BUSINESS CENTRE LIMITED

We have audited the financial statements of Kenton Business Centre Limited on pages 3 to 8 for the period ended 30 June 2002. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements 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 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.

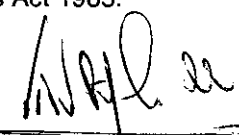
Basis of audit opinion

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 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.

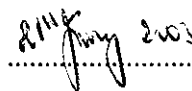
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


F W Stephens & Co

Chartered Accountants
Registered Auditor


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10 Charterhouse Square
London
EC1M 6LQ

KENTON BUSINESS CENTRE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2002

	Notes	Period ended 30 June 2002 £
Turnover		127,441
Cost of sales		(25,985)
Gross profit		101,456
Administrative expenses		(41,729)
Profit on ordinary activities before taxation	2	59,727
Tax on profit on ordinary activities	3	(11,829)
Profit on ordinary activities after taxation	8	47,898

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

KENTON BUSINESS CENTRE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 30 JUNE 2002

	Period ended 30 June 2002 £
Profit for the financial period	47,898
Unrealised surplus on revaluation of properties	356,685
Total recognised gains and losses relating to the period	<u>404,583</u>

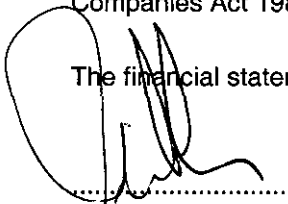
KENTON BUSINESS CENTRE LIMITED

BALANCE SHEET AS AT 30 JUNE 2002

	Notes	2002 £	£
Fixed assets			
Tangible assets	4		1,200,000
Current assets			
Debtors	5	55,291	
Cash at bank and in hand		48,296	
		103,587	
Creditors: amounts falling due within one year	6	(898,004)	
Net current liabilities			(794,417)
Total assets less current liabilities			405,583
Capital and reserves			
Called up share capital	7		1,000
Revaluation reserve	8		356,685
Profit and loss account	8		47,898
Shareholders' funds - equity interests	9		405,583

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 20.1.2003



.....
R M Harris
Director

KENTON BUSINESS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover represents amounts receivable for rent and services.

1.3 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2002), it is a departure from the general requirement of the Companies Act 1985 for all tangible fixed assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the general requirement of the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

2 Operating profit

2002

£

Operating profit is stated after charging:

Auditors' remuneration

2,000

3 Taxation

2002

U.K. corporation tax

11,829

4 Tangible fixed assets

Investment
properties

£

Cost or valuation

At 21 March 2001

-

Additions

843,315

Revaluation

356,685

At 30 June 2002

1,200,000

The investment property was valued by the directors at 30th June 2002 on the basis of open market capital value.

The potential tax liability on the sale of the property at the value included in the balance sheet amounts to £105,000 for the company. No provision has been made for this liability.

KENTON BUSINESS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2002

5 Debtors	2002
	£
Trade debtors	38,924
Other debtors	16,367
	<u>55,291</u>

6 Creditors: amounts falling due within one year	2002
	£
Trade creditors	74,830
Taxation and social security	14,428
Other creditors	808,746
	<u>898,004</u>

7 Share capital	2002
	£
Authorised	
1,000 Ordinary Shares of £ 1 each	<u>1,000</u>
Allotted, called up and fully paid	
1,000 Ordinary Shares of £ 1 each	<u>1,000</u>

1,000 £1 Ordinary Shares were issued at par upon incorporation.

8 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Retained profit for the period	-	47,898
Revaluation during the period	356,685	-
	<u>356,685</u>	<u>47,898</u>
Balance at 30 June 2002	<u>356,685</u>	<u>47,898</u>

KENTON BUSINESS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2002

9	Reconciliation of movements in shareholders' funds	2002 £
	Profit for the financial period	47,898
	Other recognised gains and losses	356,685
	Proceeds from issue of shares	1,000
	Net addition to shareholders' funds	405,583
	Opening shareholders' funds	-
	Closing shareholders' funds	405,583

10 Control

The immediate parent company is SCL Holdings Limited, who holds 100% of the issued share capital. The ultimate controlling companies are jointly Sherm Properties Limited and Cardinal Holdings Limited, who each own 50% of the issued share capital of the immediate parent company.

11 Related party transactions

Included within "Creditors: amounts due within one year" are loans the company received from its ultimate controlling companies during the period. The total balance owed to these companies at the year end was £110,000 and was split between the companies with Cardinal Holdings Limited being owed £55,000 and Sherm Properties Limited being owed £55,000. Both these loans bear no interest and are repayable on demand.

In addition, included within "Creditors: amounts due within one year" there is a balance of £657,794 owed to Wembley Business Centres Limited, a company under the same common control as Kenton Business Centres Limited.

Included within other debtors at the year end is a balance of £16,367 owed by Stadium (London) Limited, a company under the same common control as Kenton Business Centres Limited.

During the year, the company paid consultancy fees of £11,000 to E Sorsky, a director of the company.