

REGISTERED NUMBER: 4737310

**Report of the Directors and
Financial Statements
for the Year Ended 31 March 2006
for
Kerion Properties Limited**

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Kerion Properties Limited

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for the Year Ended 31 March 2006**

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Kerion Properties Limited

**Company Information
for the Year Ended 31 March 2006**

DIRECTORS:

Mrs A Mehra
P Koo
V Mehra

SECRETARY:

Mrs A Mehra

REGISTERED OFFICE:

C/O Parker Cavendish
28 Church Road
Stanmore
Middlesex
HA7 4XR

REGISTERED NUMBER:

4737310

ACCOUNTANTS:

Parker Cavendish
28 Church Road
Stanmore
Middlesex
HA7 4XR

Kerion Properties Limited

Report of the Directors for the Year Ended 31 March 2006

The directors present their report with the financial statements of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment, dealing and letting.

DIRECTORS

The directors during the year under review were:

Mrs A Mehra

P Koo

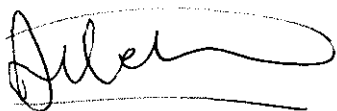
V Mehra

- appointed 1.8.05

The directors holding office at 31 March 2006 did not hold any beneficial interest in the issued share capital of the company at 1 April 2005 (or date of appointment if later) or 31 March 2006.

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:

A handwritten signature in black ink, appearing to read 'A Mehra', with a horizontal line underneath.

Mrs A Mehra - Director

23 January 2007

Kerion Properties Limited

**Profit and Loss Account
for the Year Ended 31 March 2006**

	Notes	2006 £	2005 £
TURNOVER		170,887	125,047
Administrative expenses		(50,595)	(61,446)
OPERATING PROFIT	2	120,292	63,601
Interest receivable and similar income		2,497	2,854
		122,789	66,455
Interest payable and similar charges		(99,904)	(81,811)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		22,885	(15,356)
Tax on profit/(loss) on ordinary activities	3	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		22,885	(15,356)

The notes form part of these financial statements

Kerion Properties Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2006**

	2006 £	2005 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	22,885	(15,356)
Revaluation of freehold property	-	59,552
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>22,885</u>	<u>44,196</u>

The notes form part of these financial statements

Kerion Properties Limited

Balance Sheet
31 March 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Investment property	4	1,663,496	1,650,000
CURRENT ASSETS			
Debtors	5	8,942	22,798
Cash at bank and in hand		205,619	167,086
		<u>214,561</u>	<u>189,884</u>
CREDITORS			
Amounts falling due within one year	6	(160,676)	(145,388)
NET CURRENT ASSETS		<u>53,885</u>	<u>44,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,717,381	1,694,496
CREDITORS			
Amounts falling due after more than one year	7	(1,650,000)	(1,650,000)
NET ASSETS		<u>67,381</u>	<u>44,496</u>
CAPITAL AND RESERVES			
Called up share capital	9	300	300
Revaluation reserve	10	59,552	59,552
Profit and loss account	10	7,529	(15,356)
SHAREHOLDERS' FUNDS		<u>67,381</u>	<u>44,496</u>

The notes form part of these financial statements

Kerion Properties Limited

Balance Sheet - continued
31 March 2006

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2006.

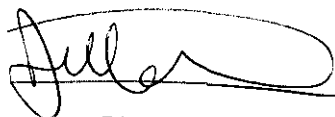
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2006 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors on 23 January 2007 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A Mehra', with a long horizontal flourish extending to the right.

Mrs A Mehra - Director

The notes form part of these financial statements

Kerion Properties Limited

Notes to the Financial Statements for the Year Ended 31 March 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents rents receivable in the year.

Investment property

The freehold investment property is stated at market value and any surplus or deficit arising on the revaluation of the property is transferred to a revaluation reserve. No depreciation is provided in respect of the property. This is a departure from the requirement of the Companies Act 1985 which requires all properties to be depreciated. This property is not held for consumption but for investment and the directors consider that to depreciate the property would not give a true and fair view.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2006 £	2005 £
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2006 nor for the year ended 31 March 2005.

4. INVESTMENT PROPERTY

	Total £
COST	
At 1 April 2005	1,650,000
Additions	13,496
At 31 March 2006	1,663,496
NET BOOK VALUE	
At 31 March 2006	1,663,496
At 31 March 2005	1,650,000

Kerion Properties Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2006

4. INVESTMENT PROPERTY - continued

The cost of the investment property shown above represents the fair market valuation of the property. In the opinion of the directors the market value of the property at the year end was not materially different to that shown above.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	8,392	20,252
Other debtors	-	1,547
Prepayments and accrued income	550	999
	<u>8,942</u>	<u>22,798</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	12,909	682
Other creditors	138,826	137,826
Accruals and deferred income	8,941	6,880
	<u>160,676</u>	<u>145,388</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Bank loans - 2-5 years	201,667	91,667
Bank loans repayable in five years or more	1,448,333	1,558,333
	<u>1,650,000</u>	<u>1,650,000</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans repayable in five years or more	<u>1,448,333</u>	<u>1,558,333</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2006	2005
	£	£
Bank loans	<u>1,650,000</u>	<u>-</u>

The bank loan is secured by a charge over the company's investment property.

Kerion Properties Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2006

9. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2006 £	2005 £
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2006 £	2005 £
300	Ordinary	1	<u>300</u>	<u>300</u>

10. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2005	(15,356)	59,552	44,196
Profit for the year	<u>22,885</u>		<u>22,885</u>
At 31 March 2006	<u>7,529</u>	<u>59,552</u>	<u>67,081</u>

11. TRANSACTIONS WITH DIRECTORS

During the year the company paid agents commission of £27,411 (2005: £17,699) to B & R Residential Lettings Limited, a company in which Mrs A Mehra is a director and controlling shareholder.

Included within other creditors is a balance of £123,356 (2005: £125,356) owed to Upgrade Investments Limited, a company which has common shareholders and in which Mrs A Mehra is a director.

12. RELATED PARTY DISCLOSURES

Included within investment property additions is an amount of £3,092 paid to Mr Z Zi-Pier, a shareholder of the company.

Included within other creditors is a loan of £12,470 (2005: £12,470) from R Kumar, a shareholder of the company.

13. ULTIMATE CONTROLLING PARTY

The company is jointly controlled by Mr R Kumar, Mr Z Zi-Pear and Vatican Limited, of which Mr P Koo is a shareholder.