

Andrew Lynton Property Limited

Annual Report

Year ended 31 December 2004



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Company Information

Directors	Andrew L Cohen Wendy P Cohen
Secretary	Iain Williamson
Registered office	Wood Hall Lane Shenley Hertfordshire WD7 9AA
Registered number	2819173
Auditors	RSM Robson Rhodes LLP Centre City Tower 7 Hill Street Birmingham B5 4UU

Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 December 2004.

Principal activities

The principal activity of the company is that of property investment.

Results and dividend

The results for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend (2003: nil).

Directors

The directors at the date of this report are disclosed on page 1.

The directors held no beneficial interests in the shares of the company throughout the year.

The directors' interests in the shares of the parent company are disclosed in that company's accounts.

Directors' responsibilities for financial statements

UK 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 year. In preparing these financial statements, the directors have:

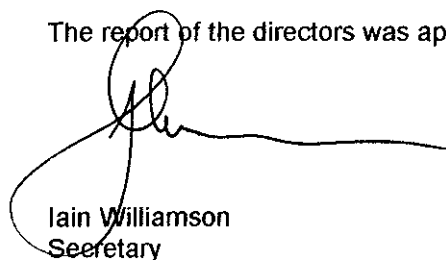
- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Auditors

A resolution to approve the re-election of RSM Robson Rhodes LLP as auditors will be proposed at the forthcoming AGM.

The report of the directors was approved by the Board on 13 June 2005 and signed on its behalf by:



Iain Williamson
Secretary

Independent Auditors' Report to the Shareholders of Andrew Lynton Property Limited

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 misstatement 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 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 affairs of the company as at 31 December 2004 and its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Birmingham, England
13 June 2005

Profit and Loss Account

for the year ended 31 December 2004

	Note	Year to 31 December 2004 £	18 Months to 31 December 2003 £
Turnover	1	202,707	258,620
Cost of sales		800	(8,558)
Gross profit		203,507	250,062
Administrative expenses		(2,219)	(3,775)
Operating profit	2	201,288	246,287
Loss on disposal of investment properties		(848,415)	(13,240)
Interest payable	4	-	(12)
Interest receivable	5	128	1,247
(Loss)/profit on ordinary activities before taxation		(646,999)	234,282
Taxation	6	(47,271)	(113,747)
Retained (loss)/profit for the period	14	(694,270)	120,535

All activities relate to continuing operations.

There were no recognised gains or losses other than the (loss)/profit for the periods reported above.

Note of Historical Cost Profits and Losses

for the year ended 31 December 2004

	Year to 31 December 2004 £	18 Months to 31 December 2003 £
(Loss)/profit on ordinary activities before taxation	(646,999)	234,282
Realisation of property revaluation gains of prior years	848,815	213,535
Historical cost profit on ordinary activities before taxation	201,816	447,817
Historical cost retained profit after taxation	154,545	334,070

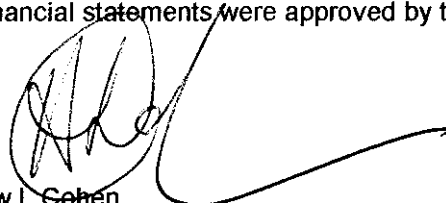
The notes on pages 6 to 10 form part of these financial statements.

Balance Sheet

at 31 December 2004

	Note	31 December 2004 £	31 December 2003 £
Fixed assets			
Tangible fixed assets	7	10,000	1,960,000
		<hr/>	<hr/>
Current assets			
Debtors	8	3,213,629	2,056,895
Cash at bank		56,885	57,137
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	9	3,270,514 (17,675)	2,114,032 (116,923)
		<hr/>	<hr/>
Net current assets		3,252,839	1,997,109
		<hr/>	<hr/>
Total assets less current liabilities		3,262,839	3,957,109
Provision for liabilities and charges	10	-	-
		<hr/>	<hr/>
Net assets		3,262,839	3,957,109
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	14	1,785	850,200
Profit and loss account	14	3,260,954	3,106,809
		<hr/>	<hr/>
Equity shareholders' funds	13	3,262,839	3,957,109
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board on 13 June 2005 and signed on its behalf by


Andrew L Cohen
Director

The notes on pages 6 to 10 form part of these financial statements

Notes to the Financial Statements

31 December 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable UK accounting standards, under the historical cost convention as modified by the revaluation of certain land and buildings.

Turnover

Turnover represents rent receivable during the year, excluding value added tax.

Depreciation

The only tangible fixed assets held were investment properties, on which no depreciation is provided.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax is provided in full, in accordance with FRS19, on those timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Investment properties

Investment properties, other than those leasehold properties with an unexpired term of less than 20 years, are included in the balance sheet at cost from the date of exchange of contracts or at subsequent revaluation. In accordance with SSAP 19. Investment properties are revalued at their open market value annually either by independent professional third party valuers or by the directors. The aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided on investment properties as held for investment purposes.

2. OPERATING PROFIT

	Year to 31 December 2004 £	18 months to 31 December 2003 £
Operating profit is stated after charging:		
Auditors' remuneration	1,000	1,500
	<hr/>	<hr/>

3. EMPLOYEE INFORMATION (INCLUDING DIRECTORS)

With the exception of the directors, there were no employees during the period. The directors received no remuneration during either period.

Notes to the Financial Statements

31 December 2004

4. INTEREST PAYABLE

	Year to 31 December 2004 £	18 months to 31 December 2003 £
Interest on loans and bank overdrafts	-	12

5. INTEREST RECEIVABLE

	Year to 31 December 2004 £	18 months to 31 December 2003 £
Bank interest	128	393
Other interest	-	854
	<u>128</u>	<u>1,247</u>

6. TAXATION ON PROFIT FROM ORDINARY ACTIVITIES

	Year to 31 December 2004 £	18 months to 31 December 2003 £
Current Tax		
UK corporation tax on profits of the period	15,000	18,750
Group relief payable	36,771	85,814
Adjustment in respect of prior periods	(4,500)	9,183
	<u>47,271</u>	<u>113,747</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK.
The differences are explained below:

	Year to 31 December 2004 £	18 months to 31 December 2003 £
(Loss)/profit on ordinary activities before tax	(646,999)	234,282
Profit on ordinary activities at the standard rate of Corporation tax in the UK of 30% (2003 – 30%)	(194,100)	70,285
Effects of:		
Difference between capital gains and profit on sale of assets	254,525	39,018
Capital allowances for year in excess of depreciation	(8,654)	(4,739)
Adjustment to tax charge in respect of prior periods	(4,500)	9,183
	<u>47,271</u>	<u>113,747</u>

Notes to the Financial Statements

31 December 2004

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Total £
Cost or valuation		
At 1 January 2004	1,960,000	1,960,000
Disposals	(1,950,000)	(1,950,000)
	<hr/>	<hr/>
At 31 December 2004	10,000	10,000
	<hr/>	<hr/>
Net book value		
At 31 December 2004	10,000	10,000
	<hr/>	<hr/>
At 31 December 2003	1,960,000	1,960,000
	<hr/>	<hr/>
	2004	2003
	£	£
Land and buildings comprise:		
Cost	8,215	1,109,800
Revaluation	1,785	850,200
	<hr/>	<hr/>
At 31 December	10,000	1,960,000
	<hr/>	<hr/>

All freehold and long leasehold land and buildings are held as investment properties. The directors revalued the properties to market value at 31 December 2004.

8. DEBTORS

	31 December 2004 £	31 December 2003 £
Trade debtors	2,466	-
Amounts owed from group undertakings	3,211,163	2,047,941
Other debtors	-	8,954
	<hr/>	<hr/>
	3,213,629	2,056,895
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All amounts shown in debtors fall due for repayment within one year.

Notes to the Financial Statements

31 December 2004

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2004 £	31 December 2003 £
Trade creditors	1,675	104
Corporation tax	15,000	18,750
Other creditors	-	54,949
Accruals	1,000	43,120
	<hr/>	<hr/>
	17,675	116,923
	<hr/>	<hr/>

The company also acts, with certain other group companies, as guarantor of loans made to group companies.

10. PROVISION FOR LIABILITIES AND CHARGES

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. The total amount un-provided for is £nil (2003 - £196,000). At present, it is not envisaged that any tax will become payable in the foreseeable future.

11. SHARE CAPITAL

	31 December 2004 £	31 December 2003 £
Authorised, issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

12. TRANSACTIONS WITH RELATED PARTIES

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with 100%-owned subsidiaries of Wood Hall Securities Limited that are included in its consolidated financial statements.

13. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	31 December 2004 £	31 December 2003 £
(Loss)/profit for the year/period	(694,270)	120,535
Revaluation of property	-	-
	<hr/>	<hr/>
Movement in shareholders funds	(694,270)	120,535
Opening shareholders' funds	3,957,109	3,836,574
	<hr/>	<hr/>
Closing shareholders' funds	3,262,839	3,957,109
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Notes to the Financial Statements

31 December 2004

14. RESERVES

	Revaluation Reserve	Profit and loss account
	£	£
At 1 January 2004	850,200	3,106,809
Retained loss for the period	-	(694,270)
Realisation of property revaluation gains	(848,415)	848,415
	<hr/>	<hr/>
At 31 December 2004	1,785	3,260,954
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15. CASH FLOW STATEMENT

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

16. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Wood Hall Securities Limited, whose consolidated financial statements are available from Companies House.