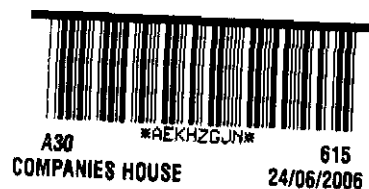

COASTALVIEW LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 AUGUST 2005**



COMPANY INFORMATION

DIRECTOR	P C Rose
SECRETARY	S C Stedman
COMPANY NUMBER	4413269
REGISTERED OFFICE	Haslers Old Station Road Loughton Essex IG10 4PL
AUDITORS	Haslers Chartered Accountants & Registered Auditors Old Station Road Loughton Essex IG10 4PL
BUSINESS ADDRESS	Copper House 88 Snakes Lane East Woodford Green Essex IG8 7HX

CONTENTS

	Page
Director's report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 11

DIRECTOR'S REPORT
For the year ended 31 August 2005

The director presents his report and the financial statements for the year ended 31 August 2005.

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:

- 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the director has had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

PRINCIPAL ACTIVITY

The principal activity of the company in the year continued to be that of a property investment company.

DIRECTOR

The director who served during the year and his beneficial interest in the company's issued share capital was:

Ordinary shares of £1 each	
<u>31/8/05</u>	<u>1/9/04</u>

P C Rose	-	-
----------	---	---

ADDITIONAL INFORMATION RE DIRECTORS

The director does not have a direct interest in the shares of this company. His interest in the parent company, Aitch Investment Properties Limited, is disclosed in the accounts of that company.

AUDITORS

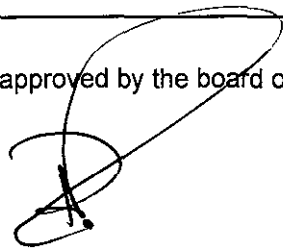
The auditors, Haslers, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

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

DIRECTOR'S REPORT
For the year ended 31 August 2005

This report was approved by the board on 19 June 2006 and signed on its behalf.

P C Rose
Director



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COASTALVIEW LIMITED

We have audited the financial statements of Coastalview Limited for the year ended 31 August 2005 set out on pages 5 to 11. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

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 auditor's 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 in the Statement of Director's Responsibilities the company's director is 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 Director's 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 Director's 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 judgments made by the director 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COASTALVIEW LIMITED

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Haslers
Chartered Accountants
Registered Auditors
Old Station Road
Loughton
Essex
IG10 4PL

Date: 19/6/06

PROFIT AND LOSS ACCOUNT
For the year ended 31 August 2005

	Note	2005 £	2004 £
TURNOVER	1	66,950	65,064
Administrative expenses		(30,458)	(14,108)
OPERATING PROFIT	2	36,492	50,956
Interest payable		(49,108)	(44,056)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(12,616)	6,900
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	3	3,800	(1,250)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		£ (8,816)	£ 5,650

The notes on pages 8 to 11 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 August 2005

	2005	2004
	£	£
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(8,816)	5,650
Unrealised surplus on investments	214,570	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	£ 205,754	£ 5,650

The notes on pages 8 to 11 form part of these financial statements.

BALANCE SHEET
As at 31 August 2005

	Note	2005	2004
		£	£
FIXED ASSETS			
Tangible fixed assets	4	1,122,334	907,764
CURRENT ASSETS			
Debtors	5	4,774	7,716
CREDITORS: amounts falling due within one year	6	(158,361)	(145,607)
NET CURRENT LIABILITIES		<u>(153,587)</u>	<u>(137,891)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>968,747</u>	<u>769,873</u>
CREDITORS: amounts falling due after more than one year	7	(768,142)	(775,022)
NET ASSETS/(LIABILITIES)		<u>£ 200,605</u>	<u>£ (5,149)</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Revaluation reserve	9	214,570	-
Profit and loss account	9	(13,966)	(5,150)
SHAREHOLDERS' FUNDS		<u>£ 200,605</u>	<u>£ (5,149)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 19 June 2006 and signed on its behalf.


P C Rose
Director

The notes on pages 8 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2005

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Investment property and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Going concern

The accounts have been prepared on a going concern basis, in view of the continued support of the parent company and director.

1.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.4 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company.

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective June 2002) the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, as revalued at 31 August 2005 and will not update that valuation.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Investment property - no 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 June 2002), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director, compliance with the standard is necessary for 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

The operating profit is stated after charging:

	2005	2004
	£	£
Audit fees	1,200	1,200
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2004 - £nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2005

3. TAXATION

	2005	2004
	£	£
Grouper relief (receipt) / payment	£ (3,800)	£ 1,250

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK applicable to the company.

There were no factors that may affect future tax charges.

4. TANGIBLE FIXED ASSETS

	Land and buildings £
Cost or valuation	
At 1 September 2004	907,764
Revaluation surplus/(deficit)	214,570
At 31 August 2005	<u>1,122,334</u>
Depreciation	
At 1 September 2004 and 31 August 2005	<u>-</u>
Net book value	
At 31 August 2005	<u>£ 1,122,334</u>
At 31 August 2004	<u>£ 907,764</u>

Investment properties are shown at their open market value.

Cost or valuation at 31 August 2005 is as follows:

At cost

At valuation:

Enter date & basis

5. DEBTORS

	2005	2004
	£	£
Trade debtors	£ 4,774	£ 7,716

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2005

6. CREDITORS:
Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	7,781	8,853
Trade creditors	797	797
Amounts owed to group undertakings	144,751	131,894
Other creditors	5,032	4,063
	<u>£ 158,361</u>	<u>£ 145,607</u>

7. CREDITORS:
Amounts falling due after more than one year

	2005	2004
	£	£
Bank loans	<u>£ 768,142</u>	<u>£ 775,022</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2005	2004
	£	£
Repayable by instalments	<u>£ 728,460</u>	<u>£ 733,458</u>

The bank loan is repaid in combined monthly capital and interest payments. The amount of the loan outstanding on the expiry of the mortgage term, July 2027, is to be repaid in full by a bullet payment.

The applying rate of interest is 1.5% above the bank's base rate.

The aggregate amount of secured liabilities is £775,923 (2004: £783,875).

8. SHARE CAPITAL

	2005	2004
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>£ 1</u>	<u>£ 1</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2005

9. RESERVES

Revaluation reserve	£
At 1 September 2004	-
Surplus on revaluation of other fixed assets	214,570
	<hr/>
At 31 August 2005	£ 214,570
	<hr/>
Profit and loss account	£
At 1 September 2004	(5,150)
Loss retained for the year	(8,816)
	<hr/>
At 31 August 2005	£ (13,966)
	<hr/>

10. RELATED PARTY TRANSACTIONS

The company had the following related parties during the year:

Aitch Group Holdings Limited - Parent company
Aitch Investment Properties Limited - Fellow subsidiary
H Smith Holdings Limited - P C Rose is a director

	2005	2004
	£	£
Aitch Group Holdings Limited	732	2,843
Aitch Investment Properties Limited	144,019	129,051
H Smith Holdings Limited	-	15
	<hr/>	<hr/>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Aitch Investment Properties Limited, a company registered in England and Wales, and the ultimate parent company is Aitch Group Holdings Limited, a company registered in England and Wales.

The ultimate controlling party is the H & M L Smith 1991 Settlement Trust.