

COASTALVIEW LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

**Haslers**

Chartered Accountants & Business Advisers

*Johnston House, Johnston Road, Woodford Green**Essex IG8 0XA*

COASTALVIEW LIMITED

COMPANY INFORMATION

Director	P C Rose
Secretary	S C Stedman
Company number	4413269
Registered office	Johnston House 8 Johnston Road Woodford Green Essex IG8 0XA
Auditors	Haslers Chartered Accountants Johnston House 8 Johnston Road Woodford Green Essex IG8 0XA

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COASTALVIEW LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2004

The director presents his report and financial statements for the year ended 31 August 2004.

Principal activities

The principal activity of the company was that of a property investment company.

Director

The following director has held office since 1 September 2003:

P C Rose

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each
	31 August 2004 1 September 2003
P C Rose	- -

Auditors

Haslers 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.

Director's responsibilities

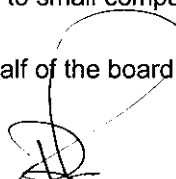
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- 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.

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



P C Rose

Director

8 June 2005

COASTALVIEW LIMITED**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF COASTALVIEW LIMITED**

We have audited the financial statements of Coastalview Limited on pages 3 to 7 for the year ended 31 August 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 the director 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 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 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 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 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.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Haslers
Chartered Accountants
Registered Auditor

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Johnston House
8 Johnston Road
Woodford Green
Essex
IG8 0XA

COASTALVIEW LIMITED
**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2004**

	Notes	2004 £	2003 £
Turnover		65,064	72,155
Cost of sales		-	(19,355)
Gross profit		65,064	52,800
Administrative expenses		(14,108)	(2,327)
Operating profit	2	50,956	50,473
Interest payable and similar charges		(44,056)	(61,273)
Profit/(loss) on ordinary activities before taxation		6,900	(10,800)
Tax on profit/(loss) on ordinary activities	3	(1,250)	-
Profit/(loss) on ordinary activities after taxation	9	5,650	(10,800)

COASTALVIEW LIMITED

BALANCE SHEET AS AT 31 AUGUST 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4		907,764		907,764
Current assets					
Debtors	5	7,716		2,099	
Creditors: amounts falling due within one year	6	(145,607)		(143,738)	
Net current liabilities			(137,891)		(141,639)
Total assets less current liabilities			769,873		766,125
Creditors: amounts falling due after more than one year	7		(775,022)		(776,924)
			(5,149)		(10,799)
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		(5,150)		(10,800)
Shareholders' funds			(5,149)		(10,799)

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 June 2002).

The financial statements were approved by the Board on ...8 June 2005

.....
P C Rose
Director

COASTALVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Going concern;

The accounts have been prepared on a going concern basis, in view of the continued support of its related parties.

1.2 Turnover

Turnover represents amounts receivable for goods and services.

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:

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	2004 £	2003 £
	Operating profit is stated after charging:		
	Auditors' remuneration	1,200	1,100
		<u>1,200</u>	<u>1,100</u>
3	Taxation	2004 £	2003 £
	Domestic current year tax		
	Payment in respect of group relief	1,250	-
		<u>1,250</u>	<u>-</u>
	Current tax charge	<u>1,250</u>	<u>-</u>

COASTALVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

4 Tangible fixed assets

	Investment properties £
Cost	
At 1 September 2003 & at 31 August 2004	907,764

Investment properties are shown at their open market value.

5 Debtors

	2004 £	2003 £
Trade debtors	7,716	2,099

6 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	8,853	8,020
Trade creditors	797	-
Amounts owed to group undertakings and undertakings in which the company has a participating interest	131,894	124,699
Other creditors	4,063	11,019
	145,607	143,738

7 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Bank loans	775,022	776,924
Analysis of loans		
Not wholly repayable within five years by instalments	733,460	739,218
Wholly repayable within five years	50,415	45,726
	783,875	784,944
Included in current liabilities	(8,853)	(8,020)
	775,022	776,924
Instalments not due within five years	733,460	739,218

The aggregate amount of secured liabilities is £783,875 (2003: £784,944).

COASTALVIEW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

8 Share capital	2004	2003
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
	<hr/>	<hr/>
9 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 September 2003		(10,800)
Retained profit for the year		5,650
		<hr/>
Balance at 31 August 2004		(5,150)
		<hr/>

10 Control

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.

Aitch Group Holdings Limited prepares group financial statements and copies can be obtained from the registered office of Aitch Group Holdings Limited.

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

11 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

The following related parties existed during the period:

H Smith Holdings Limited - common directors

At the year end the company owed an interest free amount of £15 to H Smith Holdings Limited.