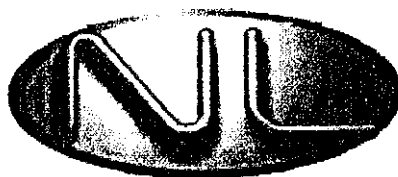


Company Registration No. 3583424 (England and Wales)

GRAYS DEVELOPMENT LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
ACCOUNTS
FOR THE YEAR ENDED
30 JUNE 2005



Nyman Linden
Chartered Accountants
London



GRAYS DEVELOPMENTS LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
COMPANY INFORMATION

Directors	L C Russell S C Gray
Secretary	S C Gray
Company number	3583424
Registered office	16 Balderton Street London W1K 6TN
Accountants	Nyman Linden 105 Baker Street London W1U 6NY

GRAYS DEVELOPMENTS LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
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GRAYS DEVELOPMENTSLIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2005

The directors present their report and financial statements for the year ended 30 June 2005.

Principal activities

The principal activity of the company is property development and rental. By a special resolution, the company changed its name from Dystopia Holdings Limited to Grays Development Limited on 7 June 2006.

Directors

The following directors have held office:

L C Russell
S C Gray

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	30 June 2005	1 July 2004
L C Russell	2	2
S C Gray	-	-

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 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



S C Gray

Director

September 2006

GRAYS DEVELOPMENT LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF GRAYS DEVELOPMENT LIMITED

In accordance with the engagement letter dated 24 August 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Grays Development Limited for the year ended 30 June 2005, set out on pages 3 to 8 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 30 June 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Nyman Linden

September 2006

Chartered Accountants

105 Baker Street
London
W1U 6NY

GRAYS DEVELOPMENTS LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 £	2004 £
Turnover		77,094	45,756
Administrative expenses		(26,778)	(10,155)
Operating profit	2	50,316	35,601
Other interest receivable and similar income	3	-	32
Interest payable and similar charges		(54,902)	(21,359)
(Loss)/profit on ordinary activities before taxation		(4,586)	14,274
Tax on (loss)/profit on ordinary activities	4	-	(1,015)
(Loss)/profit on ordinary activities after taxation	11	(4,586)	13,259

GRAYS DEVELOPMENTS LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
BALANCE SHEET
AS AT 30 JUNE 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	5 and 6		908,042		681,585
Current assets					
Debtors	7	18,249		8,838	
Cash at bank and in hand		228		-	
		<u>18,477</u>		<u>8,838</u>	
Creditors: amounts falling due within one year	8	<u>(207,553)</u>		<u>(38,162)</u>	
Net current liabilities			<u>(189,076)</u>		<u>(29,324)</u>
Total assets less current liabilities			718,966		652,261
Creditors: amounts falling due after more than one year	9		<u>(710,291)</u>		<u>(639,000)</u>
			<u>8,675</u>		<u>13,261</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		8,673		13,259
Shareholders' funds			<u>8,675</u>		<u>13,261</u>

GRAYS DEVELOPMENT LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2005

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, 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 June 2002).

The financial statements were approved by the Board in September 2006



L C Russell
Director



S C Gray
Director

GRAYS DEVELOPMENT LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

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).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Fixtures, fittings & equipment - 25% reducing balance

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 directors 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	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	604	-
	<hr/>	<hr/>
3 Investment income	2005	2004
	£	£
Bank interest	-	32
	<hr/>	<hr/>
4 Taxation	2005	2004
	£	£
Domestic current year tax		
U.K. corporation tax	-	1,015
	<hr/>	<hr/>
Current tax charge	-	1,015
	<hr/>	<hr/>

The company has estimated losses of £ 9,770 (2004 - £ nil) available for carry forward against future trading profits.

GRAYS DEVELOPMENTS LIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

5 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 July 2004	-
Additions	2,416
	<hr/>
At 30 June 2005	2,416
	<hr/>
Depreciation	
At 1 July 2004	-
Charge for the year	604
	<hr/>
At 30 June 2005	604
	<hr/>
Net book value	
At 30 June 2005	1,812
	<hr/> <hr/>

6 Tangible fixed assets

	Investment properties £
Cost	
At 1 July 2004	681,585
Additions	224,645
	<hr/>
At 30 June 2005	906,230
	<hr/> <hr/>

7 Debtors

	2005 £	2004 £
Trade debtors	7,684	3,238
Director's current accounts	1,148	-
Other debtors	383	5,600
Prepayments and accrued income	9,034	-
	<hr/>	<hr/>
	18,249	8,838
	<hr/> <hr/>	<hr/> <hr/>

GRAYS DEVELOPMENTSLIMITED
PREVIOUSLY TRADING AS DYSTOPIA HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

8	Creditors: amounts falling due within one year	2005	2004
		£	£
	Bank loans and overdrafts	195,129	13,771
	Trade creditors	6,638	1,828
	Corporation tax	1,015	1,015
	Directors' current accounts	-	19,788
	Accruals and deferred income	4,771	1,760
		<u>207,553</u>	<u>38,162</u>
9	Creditors: amounts falling due after more than one year	2005	2004
		£	£
	Bank loans	<u>710,291</u>	<u>639,000</u>
	Analysis of loans		
	Wholly repayable within five years	<u>710,291</u>	<u>639,000</u>
10	Share capital	2005	2004
		£	£
	Authorised		
	100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>
11	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 July 2004		13,259
	Retained loss for the year		<u>(4,586)</u>
	Balance at 30 June 2005		<u>8,673</u>
12	Control		

The company is controlled by Ms L C Russell, a director of the company.