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LEATHERHEAD PROPERTIES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD 18TH JULY 2002 TO 31ST JULY 2003



LEATHERHEAD PROPERTIES LIMITED

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for the Period 18th July 2002 to 31st July 2003

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LEATHERHEAD PROPERTIES LIMITED

COMPANY INFORMATION
for the Period 18th July 2002 to 31st July 2003

DIRECTORS:

P Kaye
A Kaye
N S Roberts
M J Carlton

SECRETARY:

M J Carlton

REGISTERED OFFICE:

Oaktree House
Leecroft Road
Barnet
Hertfordshire
EN5 2TH

REGISTERED NUMBER:

4488979 (England and Wales)

AUDITORS:

Freedman Stuart
The Charter House
Charter Mews
18 Beehive Lane
Ilford
Essex
IG1 3RD

LEATHERHEAD PROPERTIES LIMITED

REPORT OF THE DIRECTORS **for the Period 18th July 2002 to 31st July 2003**

The directors present their report with the financial statements of the company for the period 18th July 2002 to 31st July 2003.

COMMENCEMENT OF TRADING

The company commenced trading on 8th October 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of commercial property landlords.

DIRECTORS

The directors during the period under review were:

P Kaye	- appointed 18.7.2002
A Kaye	- appointed 18.7.2002
N S Roberts	- appointed 18.7.2002
M J Carlton	- appointed 18.7.2002

All the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

The issued share capital of the company is owned equally by Amberstar Ltd and Roberts Daly Ltd. N Roberts has a 50% beneficial interest in the issued share capital of Roberts Daly Ltd. P Kaye has a 58.65% beneficial interest in the issued share capital of Amberstar Ltd.

STATEMENT OF 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 to 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

The auditors, Freedman Stuart, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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:


.....
M J Carlton - Director

Date: 10/12/2003

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
LEATHERHEAD PROPERTIES LIMITED

We have audited the financial statements of Leatherhead Properties Limited for the period ended 31st July 2003 on pages four to seven. 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 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 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 on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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 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 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 31st July 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Frederick Stuart
The Charter House
Charter Mews
18 Beehive Lane
Ilford
Essex
IG1 3RD

Date: 16/12/2003

LEATHERHEAD PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
for the Period 18th July 2002 to 31st July 2003

	Notes	£
TURNOVER		11,697
Administrative expenses		<u>3,797</u>
OPERATING PROFIT	2	7,900
Interest receivable and similar income		<u>2,615</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,515
Tax on profit on ordinary activities	3	<u>585</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>9,930</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£9,930</u></u>

The notes form part of these financial statements

LEATHERHEAD PROPERTIES LIMITED

BALANCE SHEET

31st July 2003

	Notes	£	£
FIXED ASSETS:			
Tangible assets	4		1,224,370
CURRENT ASSETS:			
Cash at bank		9,555	
CREDITORS: Amounts falling due within one year	5	<u>1,223,993</u>	
NET CURRENT LIABILITIES:			<u>(1,214,438)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£9,932</u>
CAPITAL AND RESERVES:			
Called up share capital	6		2
Profit and loss account			<u>9,930</u>
SHAREHOLDERS' FUNDS:			<u>£9,932</u>

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).

ON BEHALF OF THE BOARD:


.....
M J Carlton - Director

Approved by the Board on10...../12...../2003

The notes form part of these financial statements

LEATHERHEAD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Period 18th July 2002 to 31st July 2003

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 June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

2. OPERATING PROFIT

The operating profit is stated after charging:

	£
Auditors' remuneration	588
	==
Directors' emoluments and other benefits etc	-
	==

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

	£
Current tax:	
UK corporation tax	585
	—
Tax on profit on ordinary activities	585
	==

UK corporation tax has been charged at 19%.

4. TANGIBLE FIXED ASSETS

	Freehold property
	£
COST:	
Additions	1,224,370
	—
At 31st July 2003	1,224,370
	—
NET BOOK VALUE:	
At 31st July 2003	1,224,370
	==

LEATHERHEAD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Period 18th July 2002 to 31st July 2003

**5. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Roberts Daly Ltd	608,000
Amberstar Ltd	608,000
Directors current accounts	83
Other creditors	6,737
Taxation	585
Accrued expenses	588
	<hr/>
	1,223,993
	<hr/>

6. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
2	Ordinary Shares	1	2
			<hr/>