

GRANTHAM COURT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

9 JULY 2006

Company Number: 905418

haysmacintyre
Chartered Accountants
Registered Auditors
London



GRANTHAM COURT MANAGEMENT LIMITED

DIRECTORS

Miss M Taheri
Dr S G Seretis
D Byrne
Ms F Bosco
Dr A Fakih
N Patel

SECRETARY

A G B Graham

REGISTERED OFFICE

Fairfax House
15 Fulwood Place
London
WC1V 6AY

REGISTERED NUMBER

905418 (England and Wales)

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

GRANTHAM COURT MANAGEMENT LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 9 JULY 2006

The directors present their annual report and the company's audited financial statements for the year ended 9 July 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the management and maintenance of the property known as Park Towers, Brick Street, London, W1.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were;

| | Ordinary shares of £50 each | |
|-------------------------------------|-----------------------------|-------------|
| | 9 July 2006 | 9 July 2005 |
| Miss M Taheri | - | - |
| Dr S G Seretis | - | - |
| D Byrne | 1 | 1 |
| Ms F Bosco | 1 | 1 |
| Dr A Fakih | - | - |
| N Patel (appointed 25 January 2006) | 1 | - |

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

GRANTHAM COURT MANAGEMENT LIMITED

REPORT OF THE DIRECTORS (continued)

FOR THE YEAR ENDED 9 JULY 2006

AUDITORS

Messrs haysmacintyre have expressed their willingness to continue in office. A resolution proposing their re-appointment will be submitted at the Annual General Meeting.

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

Signed on behalf of the Board of Directors on 8 November 2006 by

Dr S G Seretis
Director



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF GRANTHAM COURT MANAGEMENT LIMITED

We have audited the financial statements of Grantham Court Management Limited for the year ended 9 July 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 9 July 2006 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


haysmacintyre

Chartered Accountants
Registered Auditors

8 November 2006

Fairfax House
15 Fulwood Place
London
WC1V 6AY

GRANTHAM COURT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 9 JULY 2006

| | Notes | 2006 £ | 2005 £ |
|---|-------|-----------|-----------|
| TURNOVER | 1 | 740,182 | 728,269 |
| Wages | | (165,201) | (128,082) |
| Other Establishment expenses | | (203,572) | (194,652) |
| Expenditure met from reserve fund | | (19,198) | - |
| OPERATING SURPLUS | 2 | 352,211 | 405,535 |
| Interest receivable | | 65,610 | 29,497 |
| SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION | | 417,821 | 435,032 |
| Taxation | 3 | (22,336) | (11,799) |
| SURPLUS AFTER TAXATION | | 395,485 | 423,233 |
| MAINTENANCE RESERVE FUND | 8 | | |
| Transfer to reserves to meet net income in year | | 19,198 | - |
| Transfers for the year | | (450,000) | (466,071) |
| | | (430,802) | (466,071) |
| DEFICIT FOR THE YEAR | | (35,317) | (42,838) |
| TRANSFER FROM MAINTENANCE RESERVE | | | |
| Transfer to meet current year's deficit | 8 | 35,317 | 42,838 |
| RETAINED SURPLUS CARRIED FORWARD | | £ - | £ - |

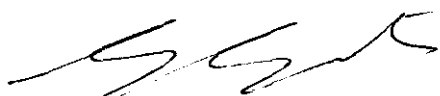
The notes on pages 6 and 7 form part of these financial statements.

GRANTHAM COURT MANAGEMENT LIMITED**BALANCE SHEET****AS AT 9 JULY 2006**

| | Notes | 2006 £ | 2005 £ |
|---|-------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 1 | 1 |
| CURRENT ASSETS | | | |
| Debtors | 5 | 52,228 | 186,765 |
| Cash at bank and building society | | 2,076,218 | 1,662,679 |
| | | <u>2,128,446</u> | <u>1,849,444</u> |
| CREDITORS: amounts falling due within one year | 6 | (243,278) | (359,761) |
| NET CURRENT ASSETS | | <u>1,885,168</u> | <u>1,489,683</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u><u>£1,885,169</u></u> | <u><u>£1,489,684</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 7 | 1,400 | 1,400 |
| Maintenance reserve | 8 | 1,883,769 | 1,488,284 |
| | | <u><u>£1,885,169</u></u> | <u><u>£1,489,684</u></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 with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 8 November 2006 and signed on its behalf by



Dr S G Seretis
Director

The notes on pages 6 and 7 form part of these financial statements.

GRANTHAM COURT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 9 JULY 2006

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 service charges and ground rents receivable.

2. OPERATING SURPLUS

2006
£

2005
£

Operating surplus is stated after charging:

Auditors' remuneration

£1,750

£1,750

Directors' emoluments and other benefits

£ -

£ -

3. TAXATION

£

£

Taxation at 40% (2005: 40%) on interest received in year
Overprovision in the prior year

26,244
(3,908)

11,799
-

£22,336

£11,799

4. TANGIBLE FIXED ASSETS

**Furniture,
fittings and
improvements**
£

COST

At 9 July 2005 and 9 July 2006

37,470

DEPRECIATION

At 9 July 2005 and 9 July 2006

37,470

NET BOOK VALUE

At 9 July 2006

£1

At 9 July 2005

£1

5. DEBTORS: Amounts falling due within one year

2006
£

2005
£

Due from lessees, less demands in advance

40,750

179,835

Other debtors

-

6,930

Prepayments and accrued income

11,478

-

£52,228

£186,765

GRANTHAM COURT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 9 JULY 2006

| 6. CREDITORS: Amounts falling due within one year | 2006 £ | 2005 £ |
|---|-------------------|-------------------|
| Service charges received in advance | 186,853 | 311,352 |
| Taxation | 13,122 | 11,432 |
| Creditors and accruals | 43,303 | 36,977 |
| | <u>£243,278</u> | <u>£359,761</u> |
| 7. SHARE CAPITAL | £ | £ |
| Authorised, allotted, issued and fully paid 28 Ordinary shares of £50 each | <u>£1,400</u> | <u>£1,400</u> |
| 8. MAINTENANCE RESERVE | £ | £ |
| Balance brought forward | 1,488,284 | 1,065,051 |
| Transfer for the year | 450,000 | 466,071 |
| Transfer of current year's service charge account deficit | (35,317) | (42,838) |
| | <u>1,902,967</u> | <u>1,488,284</u> |
| Reserve fund expenditure | | |
| Professional fees | (19,198) | - |
| Balance carried forward | <u>£1,883,769</u> | <u>£1,488,284</u> |