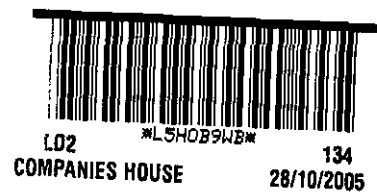


CRISTOBAL ESTATES LIMITED
(REGISTERED NUMBER: 1138461)

FINANCIAL STATEMENTS

for the year ended

31 DECEMBER 2004



COHEN, ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU

CRISTOBAL ESTATES LIMITED

DIRECTORS

I M Katz
B S E Freshwater

SECRETARY

M Jenner F.C.I.S.

REGISTERED OFFICE

Freshwater House
158/162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen, Arnold & Co
1075 Finchley Road
LONDON NW11 0PU

CRISTOBAL ESTATES LIMITED

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

Page

1 - 2	Directors' Report
3	Profit and Loss Account
4 - 5	Balance Sheet
6 - 9	Notes to the Financial Statements

CRISTOBAL ESTATES LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the Financial Statements of the Company for the year ended 31 December 2004.

BUSINESS REVIEW

The principal activity of the Company is Property Trading which has remained unchanged during the year and no change is envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Company's activities for the year ended 31 December 2004 are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors do not recommend the payment of a dividend for the year under review (2003 : £Nil).

PROPERTIES

The Directors have carefully reviewed the Company's Properties held for Trading and they are satisfied that they have a value at least equal to the figure at which they are included in the Balance Sheet at 31 December 2004.

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL

The Directors who served during the year and their interest in the Share Capital of the Company are as follows:

	Number of Ordinary Shares	
	2004	2003
Mr I M Katz	1	1
Mr B S E Freshwater	-	-

The Articles of Association of the Company do not require the Directors to retire by rotation.

The Directors do not have service contracts nor do they receive any emoluments from the Company.

Day to day management of the Company's property is carried out by Highdorn Co. Limited, a Company in which Mr B S E Freshwater, a Director of this Company, is also a Director and in which he has a non-beneficial interest in its share capital.

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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

DIRECTORS' REPORT

CRISTOBAL ESTATES LIMITED

DIRECTORS' RESPONSIBILITIES (continued)

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) 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 maintaining 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.

DONATIONS

During the year the Company made no charitable donation nor political contribution (2003: £Nil).

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



**M JENNER
SECRETARY**

HEAD OFFICE:

**Freshwater House
158/162 Shaftesbury Avenue
LONDON WC2H 8HR**

27 October 2005

CRISTOBAL ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	£	<u>2004</u>	£	£	<u>2003</u>	£
Rents and Charges Receivable	2	168,119			164,844		
Property Outgoings		(150,678)			(156,421)		
				17,441			8,423
Administrative Expenses	3		(2,761)			(2,654)	
OPERATING PROFIT			14,680			5,769	
Interest Payable	4		(51,018)			(51,037)	
Interest Receivable			472			343	
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(35,866)			(44,925)	
Taxation	5		-			(36)	
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION			(35,866)			(44,961)	
Adverse Balance Brought Forward			(5,707,248)			(5,662,287)	
ADVERSE BALANCE CARRIED FORWARD			£(5,743,114)			£(5,707,248)	

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The notes on pages 6 to 9 form part of these Financial Statements.

CRISTOBAL ESTATES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Note	<u>2004</u> £	<u>2003</u> £
CURRENT ASSETS			
Properties held for Trading	6	764,118	764,118
Debtors	7	59,602	100,993
		<hr/>	<hr/>
		823,720	865,111
CREDITORS: Amounts Falling Due Within One Year	8	(6,566,832)	(6,572,357)
		<hr/>	<hr/>
DEFICIENCY IN NET ASSETS		£(5,743,112)	£(5,707,246)
		<hr/>	<hr/>
 <u>CAPITAL AND RESERVES</u>			
Called-up Share Capital	9	2	2
Profit and Loss Account		(5,743,114)	(5,707,248)
		<hr/>	<hr/>
		£(5,743,112)	£(5,707,246)
		<hr/>	<hr/>

The immediately following page forms an integral part of this Balance Sheet.

CRISTOBAL ESTATES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

The Directors confirm that for the year ended 31 December 2004 the Company is entitled to exemption from audit under the provisions of Section 249A (1) Companies Act 1985 (the Act) and that no member or members have requested an audit pursuant to the provisions of Section 249B (2) of the Act.

The Directors acknowledge their responsibilities for ensuring that the Company maintains accounting records which comply with Section 221 of the Act and for preparing Accounts which give a true and fair view of the state of affairs of the Company at the end of its Financial Year and of its results for the Financial Year in accordance with the provisions of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to Financial Statements.

The Financial Statements were approved by the Board on 27 October 2005
and signed on its behalf by

.....
**BSE FRESHWATER
DIRECTOR**

The notes on pages 6 to 9 form part of these Financial Statements.

CRISTOBAL ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

The following is a statement of the Principal Accounting Policies of the Company:-

(a) **Basis of Preparation:**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and on the basis of accounting principles appropriate to a going concern, this being dependent primarily on the continued provision of financial support by the Company's principal loan creditor referred to in Note 8.

(b) **Disposals of Property:**

Disposals are considered to have taken place at the date of legal completion.

(c) **Trading Properties:**

The properties are stated at the lower of cost and net realisable value.

(d) **Cash Flow Statement:**

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No: 1) on the basis of its being a "small company" as defined by Section 247, Companies Act 1985.

2. TURNOVER

The turnover of the Company is derived from its properties held for trading purposes and the principal constituents thereof are as follows:

	<u>2004</u> £	<u>2003</u> £
Rents and Charges Receivable	£168,119	£164,844
	<hr/>	<hr/>

CRISTOBAL ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

3. ADMINISTRATIVE EXPENSES

	<u>2004</u>	<u>2003</u>
	£	£
Audit Fees	2,761	2,654
	<u> </u>	<u> </u>

4. INTEREST PAYABLE

	<u>2004</u>	<u>2003</u>
	£	£
Short term loan	51,018	51,018
Interest on overdue tax	-	19
	<u> </u>	<u> </u>
	£51,018	£51,037
	<u> </u>	<u> </u>

5. TAXATION

	<u>2004</u>	<u>2003</u>
	£	£
Taxation based on loss for the year :		
Overprovision in prior years	-	36
	<u> </u>	<u> </u>
	£ -	£36
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year :		
Profit on ordinary activities before taxation	-	-
	<u> </u>	<u> </u>
Adjustments in respect of previous periods	£ -	£36
	<u> </u>	<u> </u>

CRISTOBAL ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

6. PROPERTIES HELD FOR TRADING

	<u>2004</u>	<u>2003</u>
At the lower of cost and net realisable value at 31st December 2004/2003	£764,118	£764,118
	<hr/>	<hr/>

7. DEBTORS

	<u>2004</u> £	<u>2003</u> £
Rents and Service Charges due and accrued	48,431	63,902
Other Debtors	11,171	37,091
	<hr/>	<hr/>
	£59,602	£100,993
	<hr/>	<hr/>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2004</u> £	<u>2003</u> £
Rents and Service Charges charged and paid in advance	31,993	48,319
Loan Creditors (see below)	6,512,106	6,444,209
Other Creditors and Accruals	22,733	79,829
	<hr/>	<hr/>
	£6,566,832	£6,572,357
	<hr/>	<hr/>

CRISTOBAL ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)

Loan Creditors represent amounts due to companies in which Mr BSE Freshwater, a director of this Company, is also a director or governor and in certain of which he has either a beneficial or a non-beneficial interest. Included therein is an interest-free amount of £1,156,675 (2003: £1,156,675) which was previously interest bearing and is effectively repayable on demand. At the Balance Sheet date, interest of £4,195,367 (2003: £4,195,367) in respect of this loan was accrued and unpaid.

Also included in Loan Creditors is an amount of £637,731 (2003: £637,731) which bears interest at variable rates and is effectively repayable on demand.

Other Loan Creditors are interest-free and effectively repayable on demand.

9. CALLED UP SHARE CAPITAL

	<u>2004</u>	<u>2003</u>
<u>Authorised:</u>		
100 Ordinary Shares of £1 each	£100	£100
	<u> </u>	<u> </u>
<u>Issued and Fully Paid:</u>		
2 Ordinary Shares of £1 each	£2	£2
	<u> </u>	<u> </u>

10. CHARGES AND GUARANTEES

One of the company's trading properties with a book value at 31 December 2004 of £646,484 (2003: £646,484) is charged as part security for loan facilities granted to the company by Highdorn Co. Limited, a Company connected with one of the Directors, which at 31 December 2004 amounted to £637,731 (2003: £637,731).

11. CONTROLLING PARTY

The Company is controlled by Mr I M Katz, a Director of the Company, together with the Estate of Mr P Pizer.