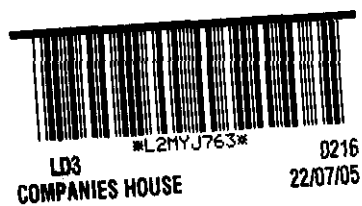


COMPANY NUMBER: 1460104

SILVERGRAD LIMITED

FINANCIAL STATEMENTS
30TH SEPTEMBER 2004

CROUCH CHAPMAN
Chartered Accountants
62 Wilson Street
London EC2A 2BU



SILVERGRAD LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

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SILVERGRAD LIMITED

COMPANY INFORMATION
AS AT 30TH SEPTEMBER 2004

DIRECTOR: A.J. Langton

SECRETARY: R.E. Attwell

REGISTERED OFFICE: 62 Wilson Street
London
EC2A 2BU

REGISTERED NUMBER: 1460104

AUDITORS: Crouch Chapman
Chartered Accountants
62 Wilson Street
London
EC2A 2BU

SILVERGRAD LIMITED

REPORT OF THE DIRECTOR

The director presents his annual report with the financial statements of the company for the year ended 30th September 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company is property holding and renting part of its portfolio to other members of the Aylesford Holdings Limited group of companies.

DIRECTOR AND HIS INTERESTS

The director in office in the year and his beneficial interest in the company at the balance sheet date and the beginning of the year was as follows:

	Ordinary Shares of £1 Each	
	30 September 2004	30 September 2003

A.J. LANGTON	-	-
--------------	---	---

The company is a wholly owned subsidiary of Aylesford Holdings Limited. The director has no beneficial interest in the shares of that company.

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 the 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 judgments 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.

CLOSE COMPANY

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

SILVERGRAD LIMITED

REPORT OF THE DIRECTOR
- continued

AUDITORS

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

SMALL COMPANIES EXEMPTION

In preparing this report, the director has taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

62 Wilson Street
London EC2A 2BU

18 JUL 2005

BY ORDER OF THE BOARD



Secretary

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SILVERGRAD LIMITED

We have audited the financial statements of Silvergrad Limited for the year ended 30th September 2004 on pages 5 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with S.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 Director and Auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 judgments 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.

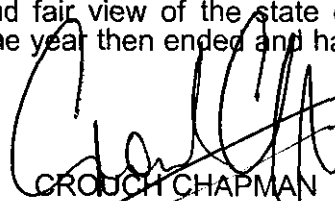
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 30th September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

62 Wilson Street
London EC2A 2BU

18 JUL 2005


CROUCH CHAPMAN
Chartered Accountants
Registered Auditors

SILVERGRAD LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 30TH SEPTEMBER 2004

	Notes	2004 £	2003 £
TURNOVER	1	77,000	60,500
Cost of sales		(3,827)	(2,889)
GROSS PROFIT		73,173	57,611
Administrative expenses		(850)	(870)
OPERATING PROFIT	2	72,323	56,741
Tax on profit on ordinary activities	3	(11,195)	-
PROFIT FOR THE FINANCIAL YEAR		61,128	56,741
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		535,967	479,226
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		597,095	535,967

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

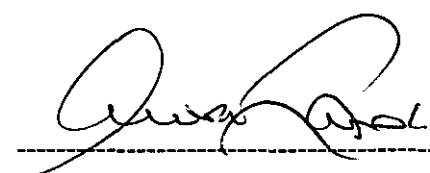
The notes on pages 7 to 10 form part of these financial statements.

SILVERGRAD LIMITED

BALANCE SHEET
30TH SEPTEMBER 2004

	Notes	£	2004 £	£	2003 £
FIXED ASSETS					
Tangible assets	4		544,692		544,692
CURRENT ASSETS					
Debtors	5	483,973		416,750	
Cash at bank		44		44	
			<u>484,017</u>	<u>416,794</u>	
CREDITORS: Amounts falling due within one year	6	(12,045)		(5,950)	
NET CURRENT ASSETS			471,972		410,844
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,016,664</u>		<u>955,536</u>
CAPITAL AND RESERVES					
Called up share capital	7		200		200
Revaluation reserve	8		419,369		419,369
Profit and loss account			597,095		535,967
SHAREHOLDERS' FUNDS	9		<u>1,016,664</u>		<u>955,536</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.

) DIRECTOR

Approved by the Board on **18 JUL 2005**

The notes on pages 7 to 10 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and are in accordance with applicable accounting standards.

Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Turnover

Turnover represents the total invoice value, excluding value added tax of services rendered during the year.

Related Party Transactions

The company has taken advantage of the exemption available under Financial Reporting Standard number 8, not to disclose material transactions with related parties.

Freehold Property

The freehold property is maintained as a matter of company policy by a programme of repair and refurbishment such that the residual value is at least equal to the book value. Having regard to this, it is the opinion of the directors that depreciation of the property as required by the Companies Act 1985 and Financial Reporting Standard 15, would not be material.

Deferred Taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the company's policy not to discount deferred tax to reflect the time value of money.

2. OPERATING PROFIT	2004	2003
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	850	850
	<u> </u>	<u> </u>

SILVERGRAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
The taxation charge comprises:		
UK corporation tax at 19% (2003: 19%)	11,195	-

Factors Affecting Tax Charge For The Year

The tax assessed for the year is at the standard rate of corporation tax in the UK:

Profit on ordinary activities before taxation	72,323	56,741
Corporation tax payable at 19% (2003: 19%)	13,741	10,781
Marginal relief and lower rate tax bands	-	(633)
Capital loss relief	-	-
Group relief	(2,546)	(10,148)
	11,195	-

4. TANGIBLE FIXED ASSETS

	Freehold Property £
COST AND VALUATION	
At 1st October 2003	544,692
At 30th September 2004	544,692

	2004 £	2003 £
The freehold property is represented by:		
Cost	63,749	63,749
Valuation 1985	239,369	239,369
Valuation 1989	180,000	180,000
Addition 2003	61,574	61,574
	544,692	544,692

No provision has been made in the financial statements for depreciation of the freehold.

SILVERGRAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
- continued

5. DEBTORS	2004 £	2003 £
Amounts owed by group undertakings	481,425	412,645
Prepayments and accrued income	-	1,057
Other debtors	2,548	3,048
	<u>483,973</u>	<u>416,750</u>
6. CREDITORS	2004 £	2003 £
Amounts falling due within one year:		
Corporation tax	11,195	-
Accruals and deferred income	850	5,950
	<u>12,045</u>	<u>5,950</u>
7. SHARE CAPITAL	2004 £	2003 £
Authorised, allotted, called up and fully paid:		
Equity interests		
100 ordinary shares of £1 each	100	100
100 deferred shares of £1 each	100	100
	<u>200</u>	<u>200</u>
8. REVALUATION RESERVE	2004 £	2003 £
Balance at 1st October 2003 and 30th September 2004	<u>419,369</u>	<u>419,369</u>

SILVERGRAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

- continued

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004 £	2003 £
Profit for the financial year	61,128	56,741
Opening shareholders' funds	955,536	898,795
Closing shareholders' funds	<u>1,016,664</u>	<u>955,536</u>
Represented by:		
Equity interests	<u>1,016,664</u>	<u>955,536</u>

10. ULTIMATE PARENT COMPANY

The holding company is Aylesford Holdings Limited, a company registered in England. The ultimate holding company is Grange Nominees Limited, a company registered in Guernsey.