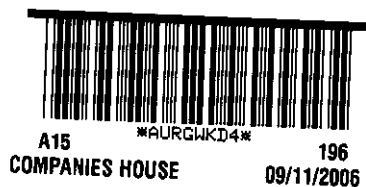


BESTLEAF LIMITED

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BESTLEAF LIMITED

Company No. 2082480

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with the financial statements of the company for the year ended 31st March 2006.

1. **PRINCIPAL ACTIVITY**

The principal activity of the company continues to be the management of the property known as St Olaves Court, St Petersburg Place, London W2 4JY.

2. **REVIEW OF THE BUSINESS**

The surplus for the year after taxation and appropriations amounted to £Nil. The company's activities are not operated with a view to profit or loss and no significant changes in the future are anticipated.

3. **DIRECTORS**

The directors who served during the year and their interests in the share capital of the company at the end and beginning of the year were as follows:-

Ordinary shares of £1 each

Prof. W A Seed	1
Dr R J Barlow	1
Ms A Konzotis	1

4. **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors 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 year. In preparing those financial statements, the directors are required to:-

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

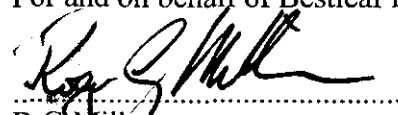
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. **AUDITORS**

Messrs J R Watson & Co have indicated their willingness to continue in office and the members will be asked to approve their reappointment.

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

For and on behalf of Bestleaf Limited



 R G Millman
 Company Secretary

10th October 2006

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF BESTLEAF LIMITED

We have audited the financial statements of Bestleaf Limited for the year ended 31st March 2006 which are set out on pages 5 to 9. These financial statements have been prepared 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 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you if, in our opinion, the Directors' 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 directors' remuneration and transactions with the company 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 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 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 14 on page 9 of the financial statements.

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF BESTLEAF LIMITED

OPINIONS

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 31st March 2006 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the Directors' Report is consistent with the financial statements for the year ended 31st March 2006.

J R WATSON & CO
Chartered Accountants and Registered Auditors
Eastgate House
11 Cheyne Walk
Northampton
NN1 5PT

11th October 2006

BESTLEAF LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 2006

	Notes	2006 £	2005 £
TURNOVER			
Service charges receivable		46659	36486
Reserve fund contributions receivable		131254	337911
Ground rent receivable		<u>50</u>	<u>50</u>
		177963	374447
OTHER INCOME			
Bank interest		<u>6486</u>	<u>4619</u>
		184449	379066
COST OF SALES			
Expenses	2	<u>501486</u>	<u>78432</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(317037)	300634
TAX ON SURPLUS ON ORDINARY ACTIVITIES	4	<u>(2594)</u>	<u>(1848)</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		(319631)	298786
APPROPRIATION			
Transfer from/(to) reserve fund		<u>319631</u>	<u>(298786)</u>
SURPLUS RETAINED FOR THE YEAR	11	£ <u>-</u>	£ <u>-</u>

There were no recognised gains or losses not reported above.

All the company's activities are continuing.

The notes on pages 7 to 9 form part of these accounts.

BESTLEAF LIMITEDBALANCE SHEET AS AT 31ST MARCH 2006

	Notes	2006	2005
		£	£
FIXED ASSETS			
Tangible fixed assets – Freehold property at cost		9509	9509
CURRENT ASSETS			
Debtors	5	53177	84371
Cash at bank and in hand	6	<u>38830</u>	<u>327501</u>
		92007	411872
CREDITORS: Amounts falling due within one year	7	<u>6061</u>	<u>6295</u>
NET CURRENT ASSETS		<u>85946</u>	<u>405577</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		95455	415086
CREDITORS: Amounts falling due after more than one year			
Reserve fund	8	<u>83619</u>	<u>403250</u>
		£ <u>11836</u>	£ <u>11836</u>
CAPITAL AND RESERVES			
Called up share capital	9	14	14
Share premium account	10	11822	11822
Profit and loss account	11	—	—
SHAREHOLDERS' FUNDS	12	£ <u>11836</u>	£ <u>11836</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.



Prof. W A Seed
Director

10th October 2006

The notes on pages 7 to 9 form part of these accounts.

BESTLEAF LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2006

1. ACCOUNTING POLICIES

- (a) Accounting convention
The accounts have been prepared using the historical cost convention.
- (b) Fixed assets and depreciation
No depreciation has been provided on the freehold property as, in the opinion of the directors, the market value is in excess of cost shown by these accounts. A professional valuation is not considered necessary.
- (c) Turnover
Turnover represents ground rents, service charges receivable and reserve fund contributions receivable. Cost of sales represents expenditure relevant to this income being amounts recoverable from tenants and shareholders.

2. EXPENSES	2006 £	2005 £
Service charge	51044	41345
Reserve fund	450392	37037
Ground rent payable	<u>50</u>	<u>50</u>
	£ <u>501486</u>	£ <u>78432</u>

3. (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES
BEFORE TAXATION

The surplus is stated after charging:-	2006 £	2005 £
Directors' remuneration	Nil	Nil
Auditors' remuneration	<u>1418</u>	<u>990</u>

4. TAX ON SURPLUS ON ORDINARY ACTIVITIES

Any surplus of income over expenditure is used to reduce service charges made to tenants in subsequent years and is shown under creditors. Conversely, any deficit is recoverable from the tenants by way of charges in future years and is included in debtors.

Accordingly no charge to taxation arises on the result from tenants contributions and these surpluses are not available for distribution.

The tax charge relates to bank interest receivable.

	2006 £	2005 £
UK Income tax at 40% (2005 – 40%)	£ <u>2594</u>	£ <u>1848</u>

BESTLEAF LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2006

	2006 £	2005 £
5. DEBTORS		
Tenant contributions due	47006	80168
Prepayments	<u>6171</u>	<u>4203</u>
	£ <u>53177</u>	£ <u>84371</u>
6. CASH AT BANK		
Clients deposit accounts	£ <u>38830</u>	£ <u>327501</u>
7. CREDITORS: Amounts falling due within one year		
Accruals	1393	3502
Tenants contributions paid in advance	2563	-
Ground rents payable	460	409
Corporation tax	<u>1645</u>	<u>2384</u>
	£ <u>6061</u>	£ <u>6295</u>
8. CREDITORS: Amounts falling due after more than one year		
Reserve fund	£ <u>83619</u>	£ <u>403250</u>
The reserve fund represents contributions from tenants for major and cyclical repairs, together with interest earned on such monies not yet expended.		
9. CALLED UP SHARE CAPITAL		
Authorised 1000 Ordinary shares of £1 each	£ <u>1000</u>	£ <u>1000</u>
Allotted, called up and fully paid 14 Ordinary shares of £1 each	£ <u>14</u>	£ <u>14</u>
10. SHARE PREMIUM ACCOUNT		
At 31st March 2005 and 31st March 2006	£ <u>11822</u>	£ <u>11822</u>

BESTLEAF LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2006

11. PROFIT AND LOSS ACCOUNT

	£	£
At 31st March 2005	-	-
Surplus for the year	<u>-</u>	<u>-</u>
At 31st March 2006	£ <u>-</u>	£ <u>-</u>

12. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2006 £	2005 £
As at 31st March 2005	11836	11836
Surplus for the year	<u>-</u>	<u>-</u>
As at 31st March 2006	£ <u>11836</u>	£ <u>11836</u>

13. TRANSACTIONS WITH RELATED PARTIES

Turnover represents contributions received from the tenants of the property known as St Olaves Court. Any surplus of income over expenditure is repayable and is shown as a creditor and any deficit recoverable from the tenants is shown as a debtor.

Certain tenants are shareholders of the company.

14. PROVISION OF NON AUDIT SERVICES

In common with many other companies of this size and nature the directors have requested that the auditors provide non-audit services as follows:-

- Accounts preparation and typing of statutory accounts.
- Tax advice.
- Other advice or work as may be necessary.