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Company Registration No. 02119703 (England and Wales)

ITEMTRUMP LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005



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COMPANIES HOUSE 15/09/2006

ITEMTRUMP LIMITED

COMPANY INFORMATION

Directors	D Hassam D Hanif R Alam
Secretary	D Hassam
Company number	02119703
Registered office	The Tower 125 High Street Colliers Wood London SW19 2JR
Business address	The Tower 125 High Street Colliers Wood London SW19 2JR
Auditors	H W Fisher & Company Acre House, 11-15 William Road London NW1 3ER

ITEMTRUMP LIMITED

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ITEMTRUMP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and accounts for the year ended 31 December 2005.

Principal activities

The principal activity of the company continues to be that of property investment. However, as at 1 January 2004, the management of the service charge income and expenditure was transferred to Golfrate Knightsbridge Limited and is no longer recognised within the company.

Results and dividends

The profit for the year after taxation amounted to £345,072.

The directors do not recommend payment of an ordinary dividend.

Directors and their interests

The directors at 31 December 2005 and their beneficial interests in the shares of the company were:

	Ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
M Ibrahim	-	-
D Hassam	-	-
R Alam	-	-
D Hanif	-	-

On 26 September 2005 M. Ibrahim resigned as director. On the same date, R. Alam and D. Hanif were appointed as directors.

Auditors

H W Fisher & Company were appointed auditors to the company and a resolution proposing that they be reappointed will be put to the members at the next Annual General Meeting.

On behalf of the Board



Dated: 29/08/06.

ITEMTRUMP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare accounts 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 these accounts, 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

ITEMTRUMP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Itemtrump Limited for the year ended 31 December 2005 set out on pages 4 to 10. These accounts have been prepared under the accounting policies set out on page 6.

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 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts 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 accounts, 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 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

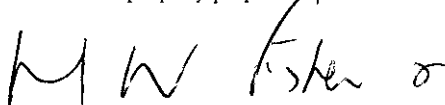
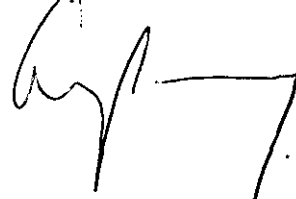
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts

- * 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 31 December 2005 and of its profit for the year then ended; and
- * have been properly prepared in accordance with the Companies Act 1985.

 
H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House, 11-15 William Road
London
NW1 3ER

Dated:4/9/06

ITEMTRUMP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover	2	101,586	74,613
Cost of sales		(6,897)	1,828
Gross profit		94,689	76,441
Operating profit		94,689	76,441
Other income	4	397,634	13,002
Interest payable and similar charges	5	-	(689)
Profit on ordinary activities before taxation		492,323	88,754
Tax on profit on ordinary activities	6	(147,251)	(26,626)
Profit on ordinary activities after taxation		345,072	62,128
Retained profit brought forward		472,020	409,892
Retained profit carried forward		817,092	472,020

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ITEMTRUMP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	7		276,934		339,518
Current assets					
Debtors	8	749,622		164,907	
Cash at bank and in hand		1,835		93,376	
		<u>751,457</u>		<u>258,283</u>	
Creditors: amounts falling due within one year	9	(211,297)		(125,779)	
Net current assets			<u>540,160</u>		<u>132,504</u>
Total assets less current liabilities			<u>817,094</u>		<u>472,022</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account			<u>817,092</u>		<u>472,020</u>
Shareholders' funds - all equity interests	11		<u>817,094</u>		<u>472,022</u>

The accounts were approved by the Board on 29/08/06



Director

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and in compliance with applicable accounting standards except for the non-compliance with paragraph 11 of Statement of Standard Accounting Practice No 19 (SSAP 19), "Accounting for Investment Properties" which requires investment properties to be included in the balance sheet at open market value.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents ground rents receivable, water charges levied, aerial and miscellaneous income, service charge income receivable from tenants and rents receivable on the porter's flat in respect of the investment property. Turnover is accounted for on an accruals basis.

1.3 Interest receivable

Interest receivable is accounted for on an accruals basis.

1.4 Service charges

Costs incurred in the provision of utilities and services to the tenants occupying the investment property are recharged to the tenants and the financial statements reflect these transactions together with all balances due to/from tenants in respect of this activity.

1.5 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.6 Depreciation

In accordance with SSAP 19, "Accounting for Investment Properties", depreciation is not provided on the long leasehold investment property which has over 20 years of the lease remaining. This treatment is a departure from the requirements of the Companies Act, 1985 concerning depreciation of fixed assets. However, the property is not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors that would impact on the valuation and the amount of depreciation which might otherwise have been shown cannot be separately identified or quantified.

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

2 Turnover and profit on ordinary activities before taxation

	Turnover		Profit before taxation	
	2005	2004	2005	2004
	£	£	£	£
Class of business				
Service charge income	-	(2,488)	-	-
Rental income and water charges	101,586	(72,125)	94,689	76,441
	<u>101,586</u>	<u>(74,613)</u>	<u>94,689</u>	<u>76,441</u>

3 Employees

Number of employees

There were no employees during the year.

4 Other income

	2005	2004
	£	£
Profit on disposal of tangible fixed assets	395,812	-
Interest receivable and similar income	1,822	13,002
	<u>397,634</u>	<u>13,002</u>

5 Interest payable and similar charges

	2005	2004
	£	£
Interest payable on:		
Late payment of tax	-	689
	<u>-</u>	<u>689</u>

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

6	Tax on profit on ordinary activities	2005 £	2005 £	2004 £	2004 £
	Current tax				
	<u>UK corporation tax</u>				
	Current tax on income for the period	147,251		26,626	
			147,251		26,626
	Factors affecting the tax charge for the year				
	Profit on ordinary activities before taxation		492,323		88,754
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)		147,697		26,626
	Effects of:				
	Other tax adjustments		(446)		-
	Current tax charge		147,251		26,626
7	Tangible fixed assets				
					Long Leasehold Land and Buildings £
	Cost				
	At 1 January 2005				339,518
	Disposals				(62,584)
	At 31 December 2005				276,934
	Depreciation				
	At 1 January 2005 and at 31 December 2005				-
	Net book value				
	At 31 December 2005				276,934
	At 31 December 2004				339,518

The residential investment property is carried at cost. In the opinion of the directors the fair value of the leasehold property is not less than cost.

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

8 Debtors	2005	2004
	£	£
Amounts due from management agents	113,607	77,583
Amounts owed by group undertakings	636,015	78,520
Amounts due from tenants	-	8,804
	<u>749,622</u>	<u>164,907</u>
The amounts due from the managing agent represent cash held by that agent in a designated account for the company to meet service charge expenditure.		
9 Creditors: amounts falling due within one year	2005	2004
	£	£
Amounts due to tenants	50,222	49,489
Sinking Fund	10,138	10,138
Corporation tax	147,437	41,990
Accruals and deferred income	3,500	24,162
	<u>211,297</u>	<u>125,779</u>
10 Share capital	2005	2004
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
11 Reconciliation of movements in shareholders' funds	£	£
Profit for the financial year	345,072	62,128
Opening shareholders' funds	472,022	409,894
	<u>817,094</u>	<u>472,022</u>
Closing shareholders' funds		

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

12 Related party transactions

During the year, the Company loaned £557,496 (2004: £72,769) to Golfrate Finance Limited, an associated company. £636,016 (2004: £78,520) remained outstanding at the year end.

On 22 December 2003, a debenture comprising a first legal charge over the leasehold interest in the residential part of Princes Court, 78-94 Brompton Road with a floating charge over other present and future assets, was created in favour of Capital IRG Trustees Limited in respect of £85,000,000 loan to Golfrate Knightsbridge Limited and Knightsbridge Green Limited, to assist with the acquisition of the shares of Princes Court Limited, a company under common control.

13 Controlling parties

The immediate parent company and ultimate controlling party is Golfrate Knightsbridge Limited.