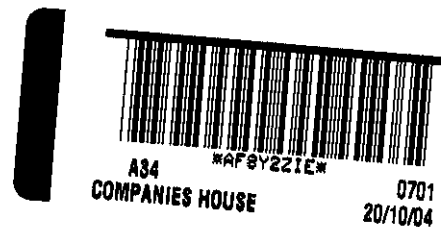


Company Registration No. 2519883 (England and Wales)

WENTA SERVICES (POTTERS BAR) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



WENTA SERVICES (POTTERS BAR) LIMITED

COMPANY INFORMATION

Directors	C C Pichon (Chief Executive) S Arbon C Lansdown R Rudman
Secretary	C C Pichon (Chief Executive)
Company number	2519883
Registered office	Woodford House Woodford Road Watford Herts. WD17 1DL
Auditors	Myers Clark Woodford House Woodford Road Watford Herts. WD17 1DL
Bankers	National Westminster Bank Plc PO Box 237, 72/74 High Street Watford Herts WD18 2BQ
Solicitors	Matthew Arnold & Baldwin 21 Station Road Watford Herts WD17 1JH

WENTA SERVICES (POTTERS BAR) LIMITED

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WENTA SERVICES (POTTERS BAR) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report and financial statements for the year ended 31 March 2004.

Principal activities

The principal activity of the company continued to be the ownership and management of commercial property.

Directors

The following directors have held office since 1 April 2003:

C C Pichon (Chief Executive)

S Arbon

C Lansdown

R Rudman

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2004	1 April 2003
C C Pichon (Chief Executive)	-	-
S Arbon	-	-
C Lansdown	-	-
R Rudman	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution will be submitted at the forthcoming Annual General Meeting that Myers Clark, Chartered Accountants, be re-appointed as auditors.

WENTA SERVICES (POTTERS BAR) LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2004**

Directors' responsibilities

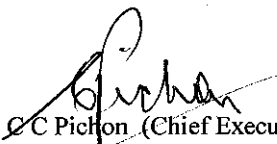
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

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

On behalf of the board



C C Pichon (Chief Executive)

Director

27 July 2004

WENTA SERVICES (POTTERS BAR) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WENTA SERVICES (POTTERS BAR) LIMITED

We have audited the financial statements of Wenta Services (Potters Bar) Limited on pages 4 to 10 for the year ended 31 March 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 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.

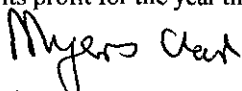
Basis of audit opinion

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 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 of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Myers Clark

7 September 2004

Chartered Accountants

Registered Auditor

Woodford House
Woodford Road
Watford
Herts. WD17 1DL

WENTA SERVICES (POTTERS BAR) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

		2004	2003
	Notes	£	£
Turnover		392,405	399,241
Administrative expenses		(246,929)	(217,312)
Donations		(145,476)	(181,936)
Operating loss	2	-	(7)
Other interest receivable and similar income		-	7
Loss on ordinary activities before taxation		-	-
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	11	-	-

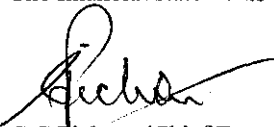
WENTA SERVICES (POTTERS BAR) LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5 and 6		1,807,853		1,809,476
Current assets					
Debtors	7	6,387		7,982	
Cash at bank and in hand		100		100	
		6,487		8,082	
Creditors: amounts falling due within one year	8	(1,734,737)		(1,737,955)	
Net current liabilities			(1,728,250)		(1,729,873)
Total assets less current liabilities			79,603		79,603
Capital and reserves					
Called up share capital	10		1,000		1,000
Revaluation reserve	11		31,506		31,506
Profit and loss account	11		47,097		47,097
Shareholders' funds			79,603		79,603

These 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 27 July 2004


C C Richon (Chief Executive)
Director


S Arbon
Director

WENTA SERVICES (POTTERS BAR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment - 20% reducing balance

1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.5 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of the Watford Enterprise Agency, a company incorporated in Great Britain, and is included in the consolidated accounts of that company.

2 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	1,963	2,369
Auditors' remuneration	2,000	1,950
Directors' emoluments	16,409	15,330

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2003- 1).

WENTA SERVICES (POTTERS BAR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

3	Investment income	2004 £	2003 £
	Bank interest	-	7

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2003	25,532
Additions	340
At 31 March 2004	25,872
Depreciation	
At 1 April 2003	16,056
Charge for the year	1,963
At 31 March 2004	18,019
Net book value	
At 31 March 2004	7,853
At 31 March 2003	9,476

WENTA SERVICES (POTTERS BAR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

6 Tangible fixed assets

	Investment properties £
Valuation	
At 1 April 2003 & at 31 March 2004	1,800,000

The long leasehold investment property was valued in July 2002 by an independent firm of valuers at £1,800,000.

The directors are of the opinion that the carrying value of the property in the accounts reflects the market value. A further professional valuation will be performed next year.

The historical cost of the investment property amounts to £1,768,494.

In accordance with SSAP19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, except for permanent diminutions in value which are charged to the profit and loss account, and (ii) no amortisation is provided in respect of leasehold investment properties with over 20 years to run; the directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of depreciation or amortisation which might otherwise have been shown cannot be separately identified or quantified.

7 Debtors	2004 £	2003 £
Trade debtors	1,671	3,461
Other debtors	4,716	4,521
	<u>6,387</u>	<u>7,982</u>

WENTA SERVICES (POTTERS BAR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

8 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	5,270	21,680
Trade creditors	-	2,407
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,625,143	1,616,640
Taxation and social security	22,888	18,927
Other creditors	81,436	78,301
	<u>1,734,737</u>	<u>1,737,955</u>

The company has guaranteed loans to its holding company, Watford Enterprise Agency, to a maximum of £1,500,000. Included within creditors is an amount due to Watford Enterprise Agency of £1,625,843 (2002: £1,616,640).

The above guarantee as well as the group overdraft is secured by way of a legal mortgage held by Natwest over the company's investment property.

9 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,365 (2003:£5,903).

Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	<u>2,805</u>	<u>2,103</u>

10 Share capital

	2004 £	2003 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

WENTA SERVICES (POTTERS BAR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

11 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 April 2003	31,506	47,097
Balance at 31 March 2004	31,506	47,097

12 Contingent liabilities

The company is currently making a claim to insurers for subsidence on the property. It is the opinion of the directors that any costs of remedial work would be covered by the insurance. The company would however be liable for a £1,000 excess on any claim.

13 Control

The ultimate holding company is Watford Enterprise Agency, a company incorporated in Great Britain.

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Mr C Lansdown, a director of the company, has provided consultancy services amounting to £3,995 (2003 : £748) to Wenta Services (Potters Bar) Limited. This was under normal commercial terms.