

ARKAIM DEVELOPMENT COMPANY LIMITED

ACCOUNTS

31 December 2004

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N R PULVER & CO  
Chartered Accountants

191 Sparrows Herne  
Bushey Heath  
Herts  
WD23 1AJ

Company Registration Number 2648642



ARKAIM DEVELOPMENT COMPANY LIMITEDREPORT OF THE DIRECTOR

The director has pleasure in submitting his annual report and the accounts of the Company for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of management and ownership of property at 50 Clanricarde Gardens, London W2 as head lessees.

REVIEW OF THE BUSINESS

The results of the Company for the year under review are shown on page 2. The state of the Company's affairs at 31 December 2004 was satisfactory.

DIRECTOR

The director in office during the year and his interest in the issued ordinary share capital of the Company was as follows:-

|                                      | <u>31 December 2004</u> | <u>1 January 2004</u> |
|--------------------------------------|-------------------------|-----------------------|
| C Richardson                         | 750                     | 500                   |
| V Cowan (resigned 21 September 2004) | -                       | 250                   |

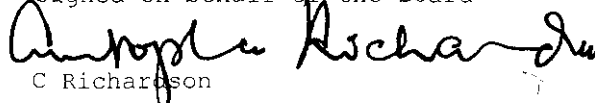
FIXED ASSETS

Details of changes to the fixed assets of the Company are shown at note 5 to the accounts.

DIVIDENDS

The directors do not recommend the payment of a dividend for the financial year currently under review.

Signed on behalf of the Board

  
C Richardson

Chairman 12<sup>th</sup> October 2005

ARKAIM DEVELOPMENT COMPANY LIMITEDProfit and Loss Account  
Year ended 31 December 2004

|   | <u>Notes</u> | <u>2004</u> | <u>2003</u> |
|---|--------------|-------------|-------------|
|   |              | £           | £           |
| Turnover  | 2            | 15,673      | 18,490      |
| Administration & General Expenses               |              | (10,733)    | (11,580)    |
|   |              | -----       | -----       |
| Operating Profit                                | 3            | 4,940       | 6,910       |
| Interest receivable                             |              | 101         | 45          |
|   |              | -----       | -----       |
| Profit before taxation                          |              | 5,041       | 6,955       |
| Taxation  | 4            | -           | -           |
|   |              | -----       | -----       |
| Profit on ordinary<br>activities after taxation |              | 5,041       | 6,955       |
|   |              | =====       | =====       |

Movements on reserves are shown in note 10.

None of the Company's activities were acquired or discontinued during the financial year.

The Company made no recognised gains or losses in the year ended 31 December 2004 other than the profit for the year.

The notes on pages 4 and 5 form part of these accounts.

ARKAIM DEVELOPMENT COMPANY LIMITED

Balance Sheet  
31 December 2004

|                                       | Notes | 2004<br>£ | 2003<br>£ |
|---------------------------------------|-------|-----------|-----------|
| FIXED ASSETS                          | 5     |           |           |
| Tangible assets                       |       | 836       | 845       |
| CURRENT ASSETS                        |       |           |           |
| Debtors                               | 6     | 8,254     | 8,720     |
| Cash at bank and in hand              |       | 10,884    | 4,563     |
|                                       |       | -----     | -----     |
|                                       |       | 19,138    | 13,283    |
| CREDITORS                             | 7     |           |           |
| Amounts due within one year           |       | 3,851     | 4,546     |
|                                       |       | -----     | -----     |
| NET CURRENT ASSETS                    |       | 15,287    | 8,737     |
|                                       |       | -----     | -----     |
|                                       |       | 16,123    | 9,582     |
| Provision for liabilities and charges | 8     | 1,500     | -         |
|                                       |       | -----     | -----     |
| TOTAL ASSETS LESS CURRENT LIABILITIES |       | 14,623    | 9,582     |
|                                       |       | =====     | =====     |
| CAPITAL AND RESERVES                  |       |           |           |
| Called up share capital               | 9     | 1,000     | 1,000     |
| Profit and loss account               | 10    | 13,623    | 8,582     |
|                                       |       | -----     | -----     |
| SHAREHOLDERS FUNDS                    | 11    | 14,623    | 9,582     |
|                                       |       | =====     | =====     |

In approving these financial statements as a director of the Company, I hereby confirm:-

- a) that for the year in question the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31 December 2004; and
- c) that I acknowledge our responsibilities for:-
  - (i) ensuring that the Company keeps accounting records which comply with section 221, and
  - (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit for the year then ended and which otherwise comply with the provisions of Section 226 of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The notes on pages 4 and 5 form part of these accounts.

C Richardson  
..... Director

Approved by the Board on 12<sup>th</sup> October 2005

ARKAIM DEVELOPMENT COMPANY LIMITEDNotes to the AccountsYear ended 31 December 2004

## 1 ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention.
- b. Turnover represents rents and service charges receivable during the year.
- c. Depreciation is provided over the expected useful lives of fixed assets, at the following rates:-

The term of the head lease is 120 years from 29 September 1978. The cost of the head lease is therefore amortised over the remaining years of the lease.

- d. Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.
- e. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

## 2 TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the Company, which is as stated in the report of the directors.

|                    | <u>2004</u> | <u>2003</u> |
|--------------------|-------------|-------------|
|                    | £           | £           |
| 3 OPERATING PROFIT |             |             |

The operating profit is stated after charging:-

|              |       |       |
|--------------|-------|-------|
| Depreciation | 9     | 9     |
|              | ===== | ===== |

## 4 TAXATION

|  |       |       |
|--|-------|-------|
| Corporation tax at small companies rates | -     | -     |
|  | ===== | ===== |

## 5 FIXED ASSETS

|                                 |                       |
|---------------------------------|-----------------------|
|                                 | <u>Head<br/>Lease</u> |
| Cost at 1.1.2004 and 31.12.2004 | 935                   |
|                                 | =====                 |
| Depreciation at 1.1.2004        | 90                    |
| Charge for year                 | 9                     |
|                                 | -----                 |
| Depreciation at 31.12.2004      | 99                    |
|                                 | =====                 |
| Net Book Value at 1.1.2004      | 845                   |
|                                 | =====                 |
| Net Book Value at 31.12.2004    | 836                   |
|                                 | =====                 |

ARKAIM DEVELOPMENT COMPANY LIMITEDNotes to the AccountsYear ended 31 December 2004

|  | <u>2004</u> | <u>2003</u> |
|--|-------------|-------------|
|  | £           | £           |
| 6 DEBTORS  |             |             |
| Trade debtors  | 6,472       | 7,998       |
| Prepayments  | 1,782       | 722         |
|  | -----       | -----       |
|  | 8,254       | 8,720       |
|  | =====       | =====       |
| 7 CREDITORS - Amounts due within one year                                      |             |             |
| Trade creditors and accruals   | 3,460       | 4,155       |
| Loans  | 350         | 350         |
| Corporation tax  | 41          | 41          |
|  | -----       | -----       |
|  | 3,851       | 4,546       |
|  | =====       | =====       |
| 8 SINKING FUND   |             |             |
| Balance 1 January 2004   | -           | -           |
| Provision in year  | 1,500       | -           |
|  | -----       | -----       |
| Balance at 31 December 2004  | 1,500       | -           |
|  | =====       | =====       |
| 9 CALLED UP SHARE CAPITAL  |             |             |
| Authorised, allotted, issued and fully paid<br>1000 Ordinary shares of £1 each | 1,000       | 1,000       |
|  | =====       | =====       |
| 10 RESERVES  |             |             |
| Balance brought forward  | 8,582       | 1,627       |
| Profit for year  | 5,041       | 6,955       |
|  | -----       | -----       |
| Balance carried forward  | 13,623      | 8,582       |
|  | =====       | =====       |
| 11 MOVEMENT OF SHAREHOLDERS FUNDS  |             |             |
| Profit for the year  | 5,041       | 6,955       |
| Opening shareholders funds   | 9,582       | 2,627       |
|  | -----       | -----       |
| Closing shareholders funds   | 14,623      | 9,582       |
|  | =====       | =====       |
| 12 ULTIMATE CONTROLLING PARTY  |             |             |

In the opinion of the directors, C Richardson Esq is the ultimate controlling party.