

ANDOVIA LIMITED

COMPANY REGISTRATION NUMBER 3140760

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2004



ANDOVIA LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was building contracting.

It is anticipated that the company will be dormant in 2005.

RESULTS AND DIVIDENDS

The results of the company for the year are shown on page 5. Result on ordinary activities before taxation was £nil (2003 - £1,980 profit).

The directors have not recommended payment of a dividend (2003 - £nil).

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company throughout the year, except as noted, were as follows:

S H R Musgrave

W J Story

J D T Titchen

K M Goulborn

(Resigned 2 November 2004)

None of the directors in office at 31 December 2004 had any interests in the shares or loan capital of the company, required to be disclosed under the Companies Act 1985.

R C Williams was appointed as a director on 10 June 2005.

J D T Titchen resigned as a director on 10 June 2005.

DIRECTORS' RESPONSIBILITIES

United Kingdom 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 at the end of the financial year and of the profit or loss for the year then ended.

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;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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. The directors are also responsible for safeguarding the assets of the company, for the system of internal control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANDOVIA LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

Signed by order of the Board

A handwritten signature in black ink, appearing to read 'C M Tolhurst', written in a cursive style.

C M Tolhurst
Company Secretary

25 AUG 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ANDOVIA LIMITED
YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements of Andovia Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 15. 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 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 in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ANDOVIA LIMITED
YEAR ENDED 31 DECEMBER 2004 (continued)

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

25 August 2005

ANDOVIA LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
Turnover	2	—	—
Other operating charges		29	5,075
Gross profit		29	5,075
Administrative expenses		(52)	(3,172)
Operating (loss)/profit	3	(23)	1,903
Interest receivable		23	77
Result/profit on ordinary activities before taxation		—	1,980
Tax on result/profit on ordinary activities		—	—
Retained result/profit for the financial year		—	1,980


The company has no recognised gains or losses in the current or prior year other than the results as set out above.

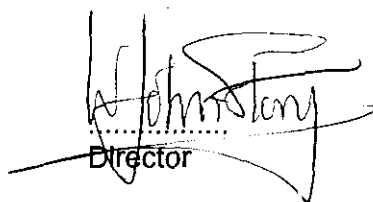
All activities of the company are now classed as discontinued.

ANDOVIA LIMITEDBALANCE SHEET AS AT 31 DECEMBER 2004

	Note	2004 £	2003 £
Current assets			
Debtors	6	-	838
Cash at bank and in hand		-	2,628
		-	3,466
Creditors: amounts falling due within one year	7	-	(3,466)
Net current assets		-	-
Total assets less current liabilities		-	-
Capital			
Called up equity share capital	9	2	2
Profit and loss account	10	(2)	(2)
Equity shareholders' deficit	11	-	-

These financial statements were approved by the Board on the 25 AUG 2005 and are signed on its behalf by:


.....
Director


.....
Director

ANDOVIA LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
Net cash (outflow)/inflow from operating activities	12	(2,651)	105
Returns on investments and servicing of finance			
Interest received		<u>23</u>	<u>77</u>
Net cash inflow from returns on investments and servicing of finance		23	77
(Decrease)/increase in cash	13	<u>(2,628)</u>	<u>182</u>

ANDOVIA LIMITEDNOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounting policies have been applied consistently throughout the current and prior years.

(b) Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. TURNOVER

There was no turnover in either the current or prior year.

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2004	2003
	£	£
Auditors' remuneration		
- as auditors	—	2,950
	<u>—</u>	<u>2,950</u>

4. PARTICULARS OF EMPLOYEES

No fees or other emoluments were paid to the directors of the company during either the current or the prior year in respect of their services to the company. There were no employees of the company for the current or prior year.

5. TAXATION

	2004	2003
	£	£
UK Corporation tax based on results for the year at 30%		
(2003 - 30%)	—	—
	<u>—</u>	<u>—</u>

6. DEBTORS

	2004	2003
	£	£
Amounts owed by shareholders	—	838
	<u>—</u>	<u>838</u>

7. CREDITORS: amounts falling due within one year

	2004	2003
	£	£
Accruals and deferred income	—	3,466
	<u>—</u>	<u>3,466</u>

ANDOVIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS****8. RELATED PARTY TRANSACTIONS**

The company provides contracting services for the two shareholders USF Nominees Limited and Old Broad Street Properties Limited. The shareholders are providing funding in accordance with a joint venture agreement.

Funding provided during the year by each party was:

	2004 £	2003 £
USF Nominees Limited	-	1,645
Old Broad Street Properties Limited	100	1,645

9. CALLED UP SHARE CAPITAL**Authorised share capital:**

	2004 £	2003 £
50 'A' ordinary shares of £1.00 each	50	50
50 'B' ordinary shares of £1.00 each	50	50
	100	100

Allotted, called up and fully paid:

	2004 No.	£	2003 No.	£
1 'A' ordinary share of £1.00	1	1	1	1
1 'B' ordinary share of £1.00	1	1	1	1
	2	2	2	2

'A' and 'B' shares rank equally in all respects.

10. PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
At 1 January	(2)	(1,982)
Retained result/profit for the financial year	-	1,980
At 31 December	(2)	(2)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Result/profit for the financial year	-	1,980
Opening equity shareholders' deficit	-	(1,980)
Closing equity shareholders' funds	-	-

ANDOVIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS****12. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2004	2003
	£	£
Operating (loss)/profit	(23)	1,903
Decrease/(increase) in debtors	838	(676)
Decrease in creditors	(3,466)	(1,122)
Net cash (outflow)/inflow from operating activities	<u>(2,651)</u>	<u>105</u>

13. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2004	2003
	£	£
(Decrease)/increase in cash in the period	<u>(2,628)</u>	<u>182</u>
Movement in net funds in the period	<u>(2,628)</u>	<u>182</u>
Net funds at 1 January	<u>2,628</u>	<u>2,446</u>
Net funds at 31 December	<u>-</u>	<u>2,628</u>

14. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2004 £	Cash flows £	At 31 Dec 2004 £
Net cash:			
Cash in hand and at bank	<u>2,628</u>	<u>(2,628)</u>	<u>-</u>
Net debt	<u>2,628</u>	<u>(2,628)</u>	<u>-</u>

15. ULTIMATE PARENT COMPANY

The company is owned equally by USF Nominees Limited and Old Broad Street Properties Limited, with neither party having overall control.