



SANTON CAPITAL PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2005
Company No: 3364739



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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SANTON CAPITAL PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

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SANTON CAPITAL PLC

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements for the year ended 30 April 2005. The company changed its name to Santon Capital plc on 9 March 2005.

Principal activity and review of the business

The principal activities of the group during the year were property development and investment in property development and investment companies. The directors consider the results for the year to be satisfactory.

The directors will continue to look for profitable trading and investment opportunities.

Results and state of affairs

The financial statements on pages 4 to 21 set out the consolidated results for the year ended 30 April 2005 and reflect the state of the company's and the group's affairs as at that date.

Dividends

The directors have declared and paid a dividend on the ordinary shares of the company of £Nil (2004 - £2,064,622).

Post balance sheet event

Following the year end the group repaid loans amounting to £6,000,000 included in the financial statements as creditors falling due after more than one year (note 23).

Creditor payment policy

The group's operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the group's policy that payments to suppliers are made in accordance with those terms provided that suppliers also comply with all relevant terms and conditions. At the year end date the group's trade creditors represented an average of approximately 20 days (2004 - 20 days) purchases.

Directors and their interests

The members of the board during the year and their interests in the company's shares were as follows:-

	<u>Interest at end of year number of shares</u>	<u>Interest at beginning of year number of shares</u>
A.J.G. Bilton	248,002	248,002
B.S. Sandhu	124,002	124,002
S. Carey (Appointed on 11 March 2005)	-	-

SANTON CAPITAL PLC

REPORT OF THE DIRECTORS
(CONTINUED)

Statement of directors' responsibilities

The directors are required by United Kingdom company law to prepare financial statements for each financial year 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 the results for that year.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 preventing and detecting fraud and other irregularities.

Auditors

A resolution will be proposed at the forthcoming annual general meeting for the reappointment of Gerald Edelman, who have expressed their willingness to continue in office as auditors for the ensuing year.

By order of the Board

DATED: 22 November 2005



.....
B.S. SANDHU
DIRECTOR

SANTON CAPITAL PLC

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SANTON CAPITAL PLC

We have audited the financial statements of Santon Capital plc on pages 4 to 21 for the year ended 30 April 2005. These financial statements have been prepared 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 director 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 and the group's affairs as at 30 April 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 Harley Street
London W1G 9BR


GERALD EDELMAN
REGISTERED AUDITOR AND
CHARTERED ACCOUNTANTS
22 November 2005

SANTON CAPITAL PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2005

	<u>Note</u>	<u>2005</u>	<u>2004</u>
		£	£
<u>Turnover</u>	2		
Group and share of joint ventures		6,223,590	7,506,508
Less: Share of joint ventures		-	-
<u>Group turnover</u>		6,223,590	7,506,508
Cost of sales		(3,319,165)	(4,515,863)
<u>Gross profit</u>		2,904,425	2,990,645
Profit on sale of fixed assets:			
Group	17,900		16,979
		17,900	16,979
Administrative expenses		(1,790,001)	(2,134,075)
Exceptional credit	3	106,398	50,000
Other income	84,209		166,963
Share of operating profit/(loss) of joint ventures		1,220	(9,230)
Net interest payable:	6		
Group	(312,830)		(110,195)
Joint ventures	41,393		43,326
		(271,437)	(66,869)
<u>Profit on ordinary activities before taxation</u>	3	1,052,714	1,014,413
Tax on profit on ordinary activities	7	(278,571)	311,347
<u>Profit on ordinary activities after taxation</u>		774,143	1,325,760
Dividends paid		-	(2,064,622)
<u>Retained profit/(loss) for the year</u>	8, 19	774,143	(738,862)

The results for the current and previous accounting year relate to the continuing operations of the group.

NOTE OF HISTORICAL COST PROFITS AND LOSSES


	<u>2005</u>	<u>2004</u>
	£	£
<u>Reported profit on ordinary activities before taxation</u>	1,052,714	1,014,413
Realisation of property revaluation gains of previous years	-	-
<u>Historical cost profit on ordinary activities before taxation</u>	1,052,714	1,014,413
<u>Historical cost profit/(loss) for the year retained after taxation and dividends</u>	774,143	(738,862)


SANTON CAPITAL PLC

CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2005

	<u>Note</u>	<u>2005</u>	<u>2004</u>
		£	£
<u>Fixed assets</u>			
Tangible assets	9	13,003,152	13,074,169
Investment in joint ventures:	10		
Share of gross assets		778,186	779,617
Share of gross liabilities		(54,412)	(77,496)
		<hr/>	<hr/>
Other investments	12	723,774 7,242,868	702,121 3,707,298
		<hr/>	<hr/>
		20,969,794	17,483,588
<u>Current assets</u>			
Stock	13	300,681	1,789,259
Debtors	14	2,026,226	4,145,823
Cash at bank and in hand		2,705,457	1,481,100
		<hr/>	<hr/>
		5,032,364	7,416,182
<u>Creditors: amounts falling due within one year</u>	15	(3,894,050)	(4,342,513)
		<hr/>	<hr/>
<u>Net current assets</u>		1,138,314	3,073,669
		<hr/>	<hr/>
<u>Total assets less current liabilities</u>		22,108,108	20,557,257
		<hr/>	<hr/>
<u>Creditors: amounts falling due after more than one year</u>	16	(8,075,588)	(7,298,880)
		<hr/>	<hr/>
<u>Net assets</u>		14,032,520	13,258,377
		<hr/>	<hr/>
<u>Capital and reserves</u>			
Called up share capital	17	186,002	186,002
Capital redemption reserve		30,000	30,000
Capital reserve		407,683	407,683
Merger reserve		195,053	195,053
Revaluation reserve	18	6,574,946	6,574,946
Profit and loss account	19	6,638,836	5,864,693
		<hr/>	<hr/>
<u>Equity shareholders' funds</u>		14,032,520	13,258,377
		<hr/>	<hr/>

The financial statements on pages 4 to 21 were approved by the board of directors on 22 November 2005.

 Director
S. CAREY

 Director
B.S. SANDHU

SANTON CAPITAL PLC

PARENT COMPANY BALANCE SHEET AS AT 30 APRIL 2005

	<u>Note</u>	<u>2005</u>	<u>2004</u>
		£	£
<u>Fixed assets</u>			
Investment in joint ventures	10	511	511
Investment in subsidiaries	11	366,213	366,214
Other investments	12	5,542,867	2,007,298
		<u>5,909,591</u>	<u>2,374,023</u>
<u>Current assets</u>			
Debtors	14	7,271,161	10,598,425
Cash at bank and in hand		2,408,051	1,073,325
		<u>9,679,212</u>	<u>11,671,750</u>
<u>Creditor: amounts falling due within one year</u>	15	(3,902,174)	(2,172,159)
<u>Net current assets</u>		<u>5,777,038</u>	<u>9,499,591</u>
<u>Total assets less current liabilities</u>		<u>11,686,629</u>	<u>11,873,614</u>
<u>Creditors: amounts falling due after more than one year</u>	16	(48,750)	(657,500)
<u>Net assets</u>		<u><u>11,637,879</u></u>	<u><u>11,216,114</u></u>
<u>Capital and reserves</u>			
Called up share capital	17	186,002	186,002
Capital redemption reserve		30,000	30,000
Profit and loss account	19	11,421,877	11,000,112
<u>Equity shareholders' funds</u>		<u><u>11,637,879</u></u>	<u><u>11,216,114</u></u>

The financial statements on pages 4 to 21 were approved by the board of directors on 22 November 2005.

..... *S. Carey* Director
S. CAREY

..... *B.S. Sandhu* Director
B.S. SANDHU

SANTON CAPITAL PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2005</u> £	<u>2004</u> £
<u>Profit on ordinary activities after taxation</u>	774,143	1,325,760
Revaluation of freehold investment property	-	2,394,952
<u>Total recognised gains and losses for the year</u>	<u>774,143</u>	<u>3,720,712</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2005</u> £	<u>2004</u> £
Total recognised gains and losses for the year	774,143	3,720,712
Dividends paid	-	(2,064,622)
Net additions to shareholders' funds	774,143	1,656,090
Shareholders' funds at 30 April 2004	<u>13,258,377</u>	<u>11,602,287</u>
Shareholders' funds at 30 April 2005	<u>14,032,520</u>	<u>13,258,377</u>

SANTON CAPITAL PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH APRIL 2005

	<u>Note</u>	<u>2005</u>	<u>2004</u>
		£	£
<u>Net cash movement from operating activities</u>	1	5,936,335	1,790,635
<u>Returns on investments and servicing of finance</u>			
Interest receivable	326,967	356,367	
Interest payable	(639,797)	(466,562)	
<u>Net cash movement from returns on investments and servicing of finance</u>		(312,830)	(110,195)
<u>Taxation</u>			
Taxation (paid)/received		(252,564)	203,183
<u>Capital expenditure and financial investment</u>			
Additions to tangible fixed assets	(10,713)	(2,023,193)	
Additions to fixed asset investments	(3,535,570)	(1,700,000)	
Proceeds from disposal of fixed assets	85,000	28,229	
Realisations in respect of joint ventures	8,715	-	
Other movements in respect of joint ventures	5,046	-	
<u>Net cash movement from capital expenditure and financial investment</u>		(3,447,522)	(3,694,964)
<u>Dividends paid</u>		-	(2,064,622)
<u>Net cash movement before financing</u>		1,923,419	(3,875,963)
<u>Financing</u>			
Bank and other loans – current	(1,475,770)	(5,067,651)	
Bank and other loans – over one year	776,708	5,998,880	
<u>Net cash (outflow)/inflow from financing</u>	2	(699,062)	931,229
<u>Movement in cash in the year</u>	2, 3	1,224,357	(2,944,734)

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2005

1.	<u>Reconciliation of operating profit to net cash movement from operating activities</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>	
	Operating profit	1,305,031	1,074,757	
	Depreciation charges	14,807	28,411	
	Movement in stocks	1,488,578	2,749,712	
	Movement in debtors	2,119,597	(2,176,038)	
	Movement in creditors	1,008,322	113,793	
	<u>Net cash movement from operating activities</u>	<u>5,936,335</u>	<u>1,790,635</u>	
2.	<u>Reconciliation of net cash inflow to movement in net debt</u>			
	Increase/(decrease) in cash in the year	1,224,357	(2,944,734)	
	Cash outflow/(inflow) from debt	699,062	(931,229)	
	Change in net debt	1,923,419	(3,875,963)	
	Net debt at 30 April 2004	(8,127,710)	(4,251,747)	
	Net debt at 30 April 2005	<u>(6,204,291)</u>	<u>(8,127,710)</u>	
3.	<u>Analysis of changes in net debt</u>			
		<u>At</u> <u>30.4.04</u> <u>£</u>	<u>Cash</u> <u>flows</u> <u>£</u>	<u>At</u> <u>30.4.05</u> <u>£</u>
	Cash at bank and in hand	1,481,100	1,224,357	2,705,457
	Bank loans and overdrafts:			
	- within one year	(187,713)	(82,287)	(270,000)
	- after one year	(6,641,380)	(1,385,458)	(8,026,838)
	Other loans:			
	- within one year	(2,122,217)	1,558,057	(564,160)
	- after one year	(657,500)	608,750	(48,750)
		<u>(8,127,710)</u>	<u>1,923,419</u>	<u>(6,204,291)</u>

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

1. Accounting policies

a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the inclusion of certain tangible fixed assets at valuation, and in accordance with applicable accounting standards.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and those of its subsidiary undertakings and joint ventures made up to 30 April 2005.

The company, as permitted by Section 230 of the Companies Act 1985, does not present its own profit and loss account.

c) Joint ventures

In the consolidated financial statements investments in joint ventures are accounted for under the gross equity method, pursuant to the requirements of FRS 9: Associates and Joint Ventures.

In the company's financial statements investments in joint ventures are stated at cost.

e) Depreciation

Provision for depreciation of tangible fixed assets is made on a reducing balance basis at rates calculated to write off the cost of the assets over their estimated useful lives, except leasehold improvements which are written off on a straight line basis over the unexpired term of the lease. The annual write down on net book value is:-

Office furniture and equipment	25%
Computer equipment	25%

No depreciation is provided on freehold or leasehold investment properties, except where the unexpired term of a leasehold interest is less than twenty years. The directors consider that this accounting policy (which represents a departure from statutory accounting rules) is necessary to provide a true and fair view.

Leases with an unexpired term of less than twenty years are depreciated over the length of the lease.

e) Stock

Stock, comprising development projects and properties, is stated at the lower of cost and net realisable value. Cost comprises direct costs of purchase and development, all costs associated with the holding of the property in stock, interest payable on loans and overdrafts financing the development project and financing costs. Net realisable value is defined as estimated selling price less all further costs of development and estimated selling expenses.

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

1. **Accounting policies - (continued)**

f) **Investment properties**

Purchases and sales of investment properties are accounted for on exchange of contract, unless the contract is conditional and the condition has not been satisfied at the date the financial statements are approved. In such circumstances the purchase or sale is accounted for on completion of contract.

Properties purchased in the year but subject to unconditional exchange of contracts at the balance sheet date are included in the financial statements at cost. Other properties held for investment purposes are included in the financial statements at their open market value. Surpluses or deficits arising on periodic revaluations of investment properties are transferred to revaluation reserve.

g) **Investments**

Investments held as fixed assets are stated at cost less any provision for a permanent diminution in value.

h) **Deferred taxation**

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

2. **Turnover**

Turnover represents income receivable from the principal activities of the group, exclusive of VAT.

3. **Profit on ordinary activities before taxation**

	<u>2005</u> £	<u>2004</u> £
The profit is stated after charging/(crediting):		
Staff costs (note 4)	1,184,749	1,376,018
Auditors' remuneration:		
- audit services	13,875	28,750
Depreciation and amounts written off fixed assets	14,807	28,411
Exceptional recovery of bad debt	(106,398)	(50,000)
	<u> </u>	<u> </u>

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

4.	<u>Staff costs</u>	<u>2005</u> £	<u>2004</u> £
	Staff costs, including directors' remuneration (note 5), were as follows:-		
	Wages and salaries	984,968	1,162,979
	Ex gratia costs	5,000	33,900
	Social security costs	143,781	122,939
	Other pension costs	51,000	56,200
		<u>1,184,749</u>	<u>1,376,018</u>
	Average number of staff employed, including directors	<u>21</u>	<u>21</u>
5.	<u>Directors' remuneration</u>	<u>2005</u> £	<u>2004</u> £
	Aggregate emoluments	<u>293,900</u>	<u>244,731</u>
	Emoluments of highest paid director	<u>160,000</u>	<u>134,333</u>
	Aggregate contributions into defined contribution pension schemes	<u>51,000</u>	<u>56,200</u>
	Number of directors within defined contribution pension schemes	<u>2</u>	<u>2</u>
6.	<u>Net interest payable</u>	<u>2005</u> £	<u>2004</u> £
	<u>Group</u>		
	Bank interest payable	442,336	341,846
	Other interest payable	197,461	124,716
	Interest receivable	(326,967)	(356,367)
		<u>312,830</u>	<u>110,195</u>
	<u>Joint ventures</u>		
	Interest receivable	<u>(41,393)</u>	<u>(43,326)</u>

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

7. <u>Tax on profit on ordinary activities</u>	<u>2005</u> £	<u>2004</u> £
UK Corporation tax on profit for the year - group	(271,549)	(247,860)
UK Corporation tax on profit for the year - joint ventures	(7,022)	(5,838)
Adjustment in respect of prior years - group	-	51,449
Adjustment in respect of prior years - joint ventures	-	513,596
	<hr/>	<hr/>
Current tax (charge)/credit	(278,571)	311,347
	<hr/>	<hr/>
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	1,052,714	1,014,413
	<hr/>	<hr/>
Profit on ordinary activities multiplied by rate of UK Corporation Tax of 30% (2004: 30%)	(315,814)	(304,324)
Effects of:		
Adjustments to previous periods	-	565,045
Marginal rate relief	4,065	10,375
Excess capital allowances	9,460	7,852
Non taxable and other items	23,718	32,399
	<hr/>	<hr/>
Current tax (charge)/credit	(278,571)	311,347
	<hr/>	<hr/>

8. Parent company profit and loss account

The profit dealt with in the financial statements of the parent company was £421,765 (2004 - £4,098,893).

9. Tangible fixed assets

<u>Cost/Valuation</u>	<u>Freehold investment properties</u> £	<u>Office furniture and equipment</u> £	<u>Total</u> £
At 30 April 2004	12,972,434	252,924	13,225,358
Additions	-	10,713	10,713
Disposals	-	(222,690)	(222,690)
	<hr/>	<hr/>	<hr/>
At 30 April 2005	12,972,434	40,947	13,013,381
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 30 April 2004	-	151,189	151,189
Charge for the year	-	14,807	14,807
Disposals	-	(155,767)	(155,767)
	<hr/>	<hr/>	<hr/>
At 30 April 2005	-	10,229	10,229
	<hr/>	<hr/>	<hr/>
<u>Net book value at 30 April 2005</u>	12,972,434	30,718	13,003,152
	<hr/>	<hr/>	<hr/>
<u>Net book value at 30 April 2004</u>	12,972,434	101,735	13,074,169
	<hr/>	<hr/>	<hr/>

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

9. **Tangible fixed assets** (continued)

The group's investment properties are included at open market value as determined by the directors as at the balance sheet date. The historical cost of the investment properties at 30 April 2005 was £6,397,667 (2004 - £6,397,488).

No provision is made for the potential liability to taxation that would arise in the event of realisation of the freehold investment property at the amount at which it is stated in the financial statements. If the freehold investment properties were sold, the taxation liability would amount to approximately £1,870,000 (2004 - £1,930,000).

10. <u>Investment in joint ventures</u>	<u>2005</u> £	<u>2004</u> £
<u>Group</u>		
Share of gross assets less gross liabilities	723,774	702,121
At 30 April 2005	<u>723,774</u>	<u>702,121</u>
<u>Company</u>		
Investment in shares – at cost	£	
At 30 April 2004 & 30 April 2005	<u>511</u>	

The company and the group have interests in the called up share capital of the following joint ventures, all of which are involved in property development or property investment activities:

<u>Company</u>	<u>Issued share capital</u>	<u>Percentage Interest</u>
Fifty Five Management Limited	2 Ordinary £1 shares	50
The Highland Club Limited	4 Ordinary £1 shares	50
Raven Hercules Limited	2 Ordinary £1 shares	50
Audley Court Limited	4 Ordinary £1 shares	50
Raven (Burghill) Limited*	1,000 Ordinary £1 shares	24.9
Raven (St. Andrews) Limited*	1,000 Ordinary £1 shares	24.9
Raven Tower Limited	100 Ordinary £1 shares	50
Raven Five Ways Limited*	10 Ordinary A £1 shares)	50
	10 Ordinary B £1 shares)	
	80 Deferred £1 shares	

*Owned directly by the company

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

10. **Investment in joint ventures** (continued)

The aggregate amount of capital and reserves and the results of the joint ventures for the last relevant period were as follows:

	<u>Capital and reserves</u>	<u>Profit/(loss) for the period</u>
	£	£
Fifty Five Management Limited	4	-
The Highland Club Limited	(18)	-
Raven Hercules Limited	(16,019)	-
Audley Court Limited	(3,506)	-
Raven (Burghill) Limited	1,746	(5,987)
Raven (St. Andrews) Limited	1,154	(29,000)
Raven Tower Limited	175,271	7,215
Raven Five Ways Limited	<u>1,288,917</u>	<u>46,669</u>

FRS 9: Associates and Joint Ventures requires the following additional disclosures in respect of the group's joint ventures:

Aggregate of the group's share of:	<u>2005</u>	<u>2004</u>
	£	£
Current assets	778,186	779,617
Liabilities due within one year	<u>(54,412)</u>	<u>(77,496)</u>
Share of net assets	<u>723,774</u>	<u>702,121</u>

11. **Investment in subsidiaries**

<u>Company</u>	£
At 30 April 2004 – at cost	366,214
Disposals during the year	(1)
	<u> </u>
At 30 April 2005	<u>366,213</u>

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005 (CONTINUED)

11. Investment in subsidiaries (continued)

The company and the group have interests in the called up share capital of the following subsidiary undertakings, all of which are wholly-owned and are variously involved in property trading, development or investment activities:-

<u>Company</u>		<u>Issued share capital</u>
Santon Homes Plc*	-	228,002 Ordinary 50p shares
Raven Commercial Properties Plc*	-	204,002 Ordinary 50p shares
Santon Property Investments Limited*	-	100 Ordinary £1 shares
Santon Close Nominees Limited*	-	2 Ordinary £1 shares
Santon Management Limited*	-	2 Ordinary £1 shares
Santon Investments Limited*	-	100 Ordinary £1 shares
Santon Pub Company Limited*	-	2 Ordinary £1 shares
Santon Property Company Limited*	-	2 Ordinary £1 shares
Santon Farnborough Limited*	-	2 Ordinary £1 shares
Santon Putney Limited*	-	2 Ordinary £1 shares

* Owned directly by the company.

	<u>Group</u>		<u>Company</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	£	£	£	£
12. <u>Fixed asset investments</u>				
Other investments – at cost				
Unlisted investment	1,000,000	2,007,298	1,000,000	2,007,298
Listed investments	6,242,868	1,700,000	4,542,867	-
	<u>7,242,868</u>	<u>3,707,298</u>	<u>5,542,867</u>	<u>2,007,298</u>

The unlisted investment represents an interest in 1,000,000 preference shares of £1 each in Santon Developments Plc, a company in which Messrs A.J.G. Bilton and B.S. Sandhu have a material interest.

The listed investments comprise 7,750,000 ordinary shares of 1p each in Raven Mount plc, an AIM listed company in which Messrs A.J.G. Bilton and B.S. Sandhu have a direct material interest. The market value of the listed investment on 30 April 2005 and 22 November 2005 was £5,115,000 and £6,355,000 respectively.

	<u>Group</u>		<u>Company</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	£	£	£	£
13. <u>Stock</u>				
Development property	<u>300,681</u>	<u>1,789,259</u>	<u>-</u>	<u>-</u>

SANTON CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

14. <u>Debtors</u>	<u>Group</u>		<u>Company</u>	
	<u>2005</u> £	<u>2004</u> £	<u>2005</u> £	<u>2004</u> £
Trade debtors	26,552	32,192	-	-
Amounts owed by subsidiary undertakings	-	-	5,828,121	6,726,147
Amounts owed by joint ventures	15,789	14,530	15,789	14,530
Other debtors	1,881,074	3,953,819	1,423,843	3,857,748
Prepayments and accrued income	102,811	145,282	3,408	-
	<u>2,026,226</u>	<u>4,145,823</u>	<u>7,271,161</u>	<u>10,598,425</u>

15. <u>Creditors: amounts falling due within one year</u>	<u>Group</u>		<u>Company</u>	
	<u>2005</u> £	<u>2004</u> £	<u>2005</u> £	<u>2004</u> £
Bank loans and overdrafts	270,000	187,713	-	-
Other loans	564,160	2,122,217	564,500	747,217
Trade creditors	65,582	281,083	1,458	-
Amounts owed to subsidiary undertakings	-	-	1,563,525	612,954
Amounts owed to joint ventures	565,002	565,002	500,002	500,002
Current corporation tax	268,220	249,235	150,143	132,976
Other taxes and social security	135,952	172,797	-	-
Other creditors	1,725,378	313,536	1,046,167	133,112
Accruals and deferred income	299,756	450,930	76,379	45,898
	<u>3,894,050</u>	<u>4,342,513</u>	<u>3,902,174</u>	<u>2,172,159</u>

Bank loans and overdrafts are secured by fixed and floating charges over the group's assets and by first charges over the group's properties.

16. <u>Creditors: amounts falling due after more than one year</u>	<u>Group</u>		<u>Company</u>	
	<u>2005</u> £	<u>2004</u> £	<u>2005</u> £	<u>2004</u> £
Bank loans	8,026,838	6,641,380	-	-
Other loans	48,750	657,500	48,750	657,500
	<u>8,075,588</u>	<u>7,298,880</u>	<u>48,750</u>	<u>657,500</u>

SANTON CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)**

16.	<u>Creditors: amounts falling due after more than one year</u> (continued)	<u>Group</u> <u>2005</u> £	<u>2004</u> £	<u>Company</u> <u>2005</u> £	<u>2004</u> £
	Analysis of loans				
	Wholly repayable within five years	8,910,088	7,530,880	613,250	1,404,717
	Included in current liabilities	834,500	232,000	564,500	747,217
		<hr/>	<hr/>	<hr/>	<hr/>
		8,075,588	7,298,880	48,750	657,500
		<hr/>	<hr/>	<hr/>	<hr/>
	Loan maturity analysis				
	In more than one but not more than two years	345,750	815,000	48,750	545,000
	In more than two but not more than five years	7,729,838	6,483,880	-	112,500
		<hr/>	<hr/>	<hr/>	<hr/>
		8,075,588	7,298,880	48,750	657,500
		<hr/>	<hr/>	<hr/>	<hr/>
17.	<u>Called up share capital</u>	<u>2005</u> £		<u>2004</u> £	
	<u>Authorised</u>				
	1,000,000 Ordinary shares of 50p each	500,000		500,000	
		<hr/>		<hr/>	
	<u>Issued and fully paid</u>				
	372,004 Ordinary shares of 50p each	186,002		186,002	
		<hr/>		<hr/>	
18.	<u>Revaluation reserve</u>	<u>2005</u> £		<u>2004</u> £	
	<u>Group</u>				
	At 30 April 2004	6,574,946		4,179,994	
	Revaluation of freehold investment property	-		2,394,952	
		<hr/>		<hr/>	
	At 30 April 2005	6,574,946		6,574,946	

SANTON CAPITAL PLC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

19.	<u>Profit and loss account</u>	<u>2005</u>	<u>2004</u>
		£	£
	<u>Group</u>		
	At 30 April 2004	5,864,693	6,603,555
	Retained profit/(loss) for the year	774,143	(738,862)
		<hr/>	<hr/>
	At 30 April 2005	<u>6,638,836</u>	<u>5,864,693</u>
	<u>Company</u>		
	At 30 April 2004	11,000,112	6,901,219
	Retained profit for the year	421,765	4,098,893
		<hr/>	<hr/>
	At 30 April 2005	<u>11,421,877</u>	<u>11,000,112</u>

20. **Financial commitments**

At 30 April 2005 the group had annual commitments under non-cancellable operating leases as follows:

	<u>2005</u>	<u>2004</u>
	£	£
<u>Land and buildings</u>		
Expiry date:		
In over five years	<u>129,000</u>	<u>129,000</u>

21. **Control**

Throughout the year the company was controlled by Mr. A.J.G. Bilton.

22. **Related party transactions**

a) Included in the group's debtors /(creditors) are the following balances with joint ventures:

	<u>2005</u>	<u>2004</u>
	£	£
Audley Court Limited	3,814	3,510
Raven Hercules Limited	11,975	11,020
Raven Tower Limited	(65,000)	(65,000)
Raven Five Ways Limited	<u>(500,000)</u>	<u>(500,000)</u>

SANTON CAPITAL PLC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

22. **Related party transactions** (continued)

- b) During the year the group rendered management charges in the ordinary course of business to the following joint ventures:

	<u>2005</u>	<u>2004</u>
	£	£
Raven (Burghill) Limited	30,000	-
Raven (St. Andrews) Limited	15,000	-
Raven Tower Limited	9,000	6,500
Raven Five Ways Limited	<u>22,500</u>	<u>23,333</u>

- c) Included in the group's creditors is a loan of £93,250 (2004 - £202,000) payable to Santon Pension Fund, in which Messrs A.J.G. Bilton and B.S. Sandhu are trustees and beneficiaries. The loan is subject to interest at the rate of 3% per annum over Base Rate and is repayable within two years.
- d) Included in the group's and the company's debtors is a balance of £Nil (2004 - £3,496,244) due from Raven Property Holdings Plc, in which Messrs A.J.G. Bilton and B.S. Sandhu have an indirect material interest (2004 : direct material interest). Interest receivable for the year from Raven Property Holdings Plc amounted to £216,194 (2004 - £273,280). The company's interest in Raven Property Holdings plc was disposed of on 25 November 2004 to Raven Mount plc, an AIM listed company, in exchange for shares in the company.
- e) Included in the group debtors/(creditors) are the following balances with companies in which Messrs A.J.G. Bilton and B.S. Sandhu have a direct or indirect material interest:

	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
	£	£	£	£
	Balance	Net Interest Payable/ (Receivable)	Balance	Net Interest Payable/ (Receivable)
Santon Developments plc	(1,039,807)	32,723	-	-
Santon Retail Limited	159,936	708	-	-
Santon Group Developments Limited	90,006	2,718	-	-
Raven Highlands Limited	1,095,152	(33,458)		

- f) During the year the group rendered management charges in the ordinary course of business to the following subsidiaries and joint ventures of Santon Developments plc:

	<u>2005</u>	<u>2004</u>
	£	£
Santon Group Developments Limited	522,500	-
Santon Retail Limited	<u>300,000</u>	<u>100,000</u>

SANTON CAPITAL PLC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005
(CONTINUED)

22. **Related party transactions** (continued)

- g) During the year the group rendered management charges in the ordinary course of business to the following former subsidiaries and joint ventures of Raven Property Holdings plc:

	<u>2005</u>	<u>2004</u>
	£	£
Raven Brighton Central Limited	100,000	100,000
Raven Heritage Limited	-	100,000
Raven Country & Metropolitan Limited	833	7,046
	<u> </u>	<u> </u>

- h) Included in the group's creditors is a loan of £520,000 (2004 - £702,717) payable to Hillside Management Services Limited, a company in which a director, Mr B.S. Sandhu has a material interest. The loan was repaid on 3 May 2005. Interest paid to Hillside Management Services Limited amounted to £4,482 (2004 - £3,480).
- i) The company has taken advantage of the exemption from the disclosure of related party transactions between companies included in the consolidated financial statements of Santon Capital Plc.

23. **Post balance sheet event**

Following the year end the group repaid loans amounting to £6,000,000 included in these financial statements as creditors falling due after more than one year (note 16).