

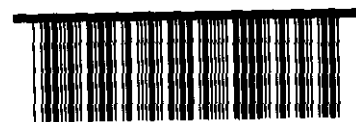
# Prime Estates Management Limited

## FINANCIAL STATEMENTS

for the year ended

31 May 2005

Company Registration No. 3447472



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COMPANIES HOUSE 27/06/2006

# Prime Estates Management Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

M R Harris  
B R Fegredo

### SECRETARY

M H P Ingham

### COMPANY NUMBER

3447472 (England and Wales)

### REGISTERED OFFICE

7th Floor  
Leconfield House  
Curzon Street  
London  
W1J 5JA

### AUDITORS

Baker Tilly  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

### SOLICITORS

Olswang  
90 High Holborn  
London  
WC1V 6XX

# Prime Estates Management Limited

## DIRECTORS' REPORT

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The directors present their report and financial statements of Prime Estates Management Limited for the year ended 31 May 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of property management.

### REVIEW OF THE BUSINESS

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2005 were satisfactory.

### DIVIDENDS

The directors do not recommend the payment of a dividend.

### DIRECTORS

*The following directors have held office since 1 June 2004:*

M R Harris  
B R Fegredo

### DIRECTORS' INTERESTS IN SHARES

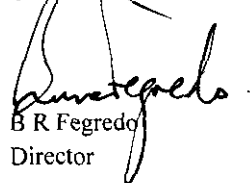
The directors at 31 May 2005 had no direct beneficial interest in the share capital of the company at any time during the year.

The interests of the directors in the share capital of the United Kingdom holding company, Rotch Property Group Limited, are set out in the directors' report of that company.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board



B R Fegredo  
Director

22 May 2006

# Prime Estates Management Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIME ESTATES MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 10.

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 directors and auditors**

*The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.*

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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

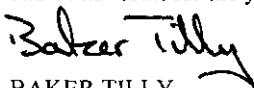
### **Basis of opinion**

We conducted our audit in accordance with 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 May 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

22 May 2006

# Prime Estates Management Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2005

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	<i>Notes</i>	2005 £	2004 £
TURNOVER		392,839	315,274
Other operating expenses	1	(73,315)	(79,169)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>319,524</u>	<u>236,105</u>
Taxation	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	<u><u>319,524</u></u>	<u><u>236,105</u></u>

All amounts derive from continuing activities.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# Prime Estates Management Limited

## BALANCE SHEET

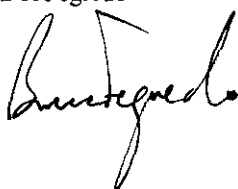
31 May 2005

	Notes	2005 £	2004 £
<b>CURRENT ASSETS</b>			
Debtors	4	933,539	629,490
Cash at bank and in hand		4,699	-
		<u>938,238</u>	<u>629,490</u>
CREDITORS: Amounts falling due within one year	5	(24,192)	(34,968)
		<u>914,046</u>	<u>594,522</u>
<b>NET CURRENT ASSETS</b>			
		<u>914,046</u>	<u>594,522</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>914,046</u>	<u>594,522</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	2	2
Profit and loss account	7	914,044	594,520
		<u>914,046</u>	<u>594,522</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
	8	<u>914,046</u>	<u>594,522</u>

Approved by the board on 22 May 2006

B R Fegredo

Director



# Prime Estates Management Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared under the historical cost convention.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of services provided and commissions received.

### CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement, as more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.



# Prime Estates Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2005

1. OTHER OPERATING EXPENSES	2005 £	2004 £
Administrative expenses	73,315	79,169
2. EMPLOYEES		
The average monthly number of persons (including directors) employed by the company during the year was:	2005 No.	2004 No.
Property management services	2	2
	£	£
Staff costs for the above persons:		
Wages and salaries	43,116	49,038
Social security costs	4,961	5,516
	48,077	54,554
The directors received no emoluments.		
3. TAXATION	2005 £	2004 £
Current tax charge	-	-
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	319,524	236,105
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	95,857	70,832
Effects of:		
Non deductible expenses	3	24
Group loss relief claimed	(108,610)	(70,856)
UK transfer pricing	(12,750)	-
	(121,357)	(70,832)
Current tax charge	-	-

**Prime Estates Management Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 May 2005**

4. DEBTORS	2005	2004
	£	£
Due within one year:		
Trade debtors	20,357	45,596
Amounts owed by United Kingdom holding company	2	2
Amounts owed by group undertakings	909,680	579,474
Prepayments and accrued income	3,500	4,418
	<u>933,539</u>	<u>629,490</u>
5. CREDITORS: Amounts falling due within one year	2005	2004
	£	£
Trade creditors	4,700	-
Taxes and social security costs	1,958	2,793
Accruals and deferred income	17,534	32,175
	<u>24,192</u>	<u>34,968</u>
6. SHARE CAPITAL	2005	2004
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
	<u></u>	<u></u>
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	2	2
	<u></u>	<u></u>
7. STATEMENT OF MOVEMENT ON RESERVES		
		<i>Profit and loss</i>
		<i>account</i>
		£
1 June 2004		594,520
Retained profit for the year		319,524
		<u></u>
31 May 2005		914,044
		<u></u>
8. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	2005	2004
	£	£
Profit for the financial year	319,524	236,105
Opening shareholders' funds	594,522	358,417
	<u></u>	<u></u>
Closing shareholders' funds	914,046	594,522
	<u></u>	<u></u>

# Prime Estates Management Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2005

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### 9. OWNERSHIP AND CONTROL

The company's immediate holding company is Prime Estates Holdings Limited.

The parent undertaking of the smallest group for which group accounts are prepared and of which the company is a member is Rotch Properties Limited, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The parent undertaking of the largest group for which group accounts are prepared and of which the company is a member is Rotch Property Group Limited, the company's United Kingdom ultimate holding company, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The directors regard the ultimate holding company to be Vin-Rotch Properties Limited Inc., a company incorporated in the Republic of Panama.

The ultimate controlling party is the Tchenguiz Family Trust.

### 10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions with fellow group undertakings where more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.