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ALLREFIT LIMITED

COMPANY INFORMATION

Directors	M. S. Chadha D. E. Buckland
Secretary	I. R. McKerchar
Company number	3728788
Registered office	Acre House 11-15 William Road London NW1 3ER
Business address	82 Mount Street London W1Y 5HH
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER

ALLREFIT LIMITED

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ALLREFIT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report and accounts for the year ended 30 June 2004.

Principal activities

The principal activity of the company continued to be that of property trading. The company's trading activities have now ceased, following the disposal of the company's properties.

Review of business

Both the level of business and the year end financial position were as expected in the light of current trading conditions.

Results and dividends

The profit for the year after taxation amounted to £283,897.

Directors and their interests

The directors at 30 June 2004 and their beneficial interests in the shares of the company were:

	Ordinary shares of £ 1 each	
	30 June 2004	1 July 2003
M. S. Chadha	-	-
D. E. Buckland	-	-

The directors are also directors of the ultimate holding company; their beneficial interests in the share capital of the ultimate holding company are disclosed in that company's accounts.

Auditors

A resolution proposing the reappointment of H W Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board



M. S. Chadha

Director

Dated: 27/4/05

ALLREFIT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

ALLREFIT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Allrefit Limited for the year ended 30 June 2004 set out on pages 4 to 10. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

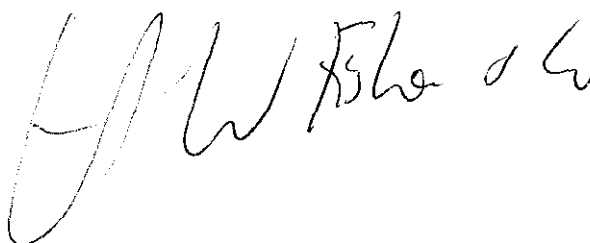
Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER
Great Britain

Dated: 27/4/05



ALLREFIT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £	2003 £
Turnover	2	1,137,500	-
Cost of sales		(688,237)	-
Gross profit		449,263	-
Administrative expenses		(121,917)	(83,152)
Operating profit/(loss)	3	327,346	(83,152)
Other income	5	47,985	125,520
Interest payable and similar charges	6	(16,735)	-
Profit on ordinary activities before taxation		358,596	42,368
Tax on profit on ordinary activities	7	(74,699)	(2,714)
Profit on ordinary activities after taxation		283,897	39,654
Accumulated loss brought forward		(56,161)	(95,815)
Retained profit/(accumulated loss) carried forward		227,736	(56,161)

The company's trading activities have now ceased, following the disposal of the company's properties.

There are no recognised gains and losses other than those passing through the profit and loss account.

ALLREFIT LIMITED

BALANCE SHEET AS AT 30 JUNE 2004

	Notes	£	2004 £	£	2003 £
Fixed assets					
Investments	8		100		100
Current assets					
Stocks	9	-		688,237	
Debtors	10	305,836		12,171	
		305,836		700,408	
Creditors: amounts falling due within one year					
	11	(78,199)		(756,668)	
Net current assets/(liabilities)			227,637		(56,260)
Total assets less current liabilities			227,737		(56,160)
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			227,736		(56,161)
Shareholders' funds - all equity interests	13		227,737		(56,160)

The accounts were approved by the Board on 27/4/05


M. S. Chadha
Director

ALLREFIT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the invoiced value of properties sold and services provided net of VAT.

1.3 Investments

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

1.4 Stock

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.5 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit/(loss)

2004	2003
£	£

Operating profit/(loss) is stated after charging:

Auditors' remuneration

4,145	3,635
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4 Employees

Number of employees

There were no employees during the year.

ALLREFIT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004

5	Other income		2004	2003
			£	£
	Rent receivable		47,965	125,500
	Interest receivable		20	20
			<u>47,985</u>	<u>125,520</u>
6	Interest payable and similar charges		2004	2003
			£	£
	Interest payable on:			
	Finance charges		<u>16,735</u>	<u>-</u>
7	Tax on profit on ordinary activities	2004	2004	2003
		£	£	£
	Current tax			
	<u>UK corporation tax</u>			
	Current tax on income for the period	<u>74,699</u>	<u>2,714</u>	
			<u>74,699</u>	<u>2,714</u>
	Factors affecting the tax charge for the year			
	Profit on ordinary activities before taxation		<u>358,596</u>	<u>42,368</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)		107,579	12,710
	Effects of:			
	Movement in tax losses		<u>(32,880)</u>	<u>(9,996)</u>
	Current tax charge		<u>74,699</u>	<u>2,714</u>

ALLREFIT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 July 2003 & at 30 June 2004	100

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Acre 257 Ltd	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Acre 257 Ltd	100	-

9 Stocks

	2004 £	2003 £
Properties held for resale	-	688,237

ALLREFIT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004

10 Debtors	2004	2003
	£	£
Amounts owed by group undertakings	305,484	-
Other debtors	352	12,171
	<u>305,836</u>	<u>12,171</u>
11 Creditors: amounts falling due within one year	2004	2003
	£	£
Amounts owed to group undertakings	-	751,454
Corporation tax	74,699	2,714
Accruals and deferred income	3,500	2,500
	<u>78,199</u>	<u>756,668</u>
12 Share capital	2004	2003
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
13 Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the financial year	283,897	39,654
Opening shareholders' funds	(56,160)	(95,814)
Closing shareholders' funds	<u>227,737</u>	<u>(56,160)</u>

ALLREFIT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004

14 Related party transactions

During the year, recharged finance charges of £16,735 (2003: £50,310) were payable to Acre 258 Limited, its immediate parent company and a management fee of £113,000 (2003: £20,000) to Thorneycroft Asset Management Limited, its ultimate parent company.

At 30 June 2004, the company was owed £305,484 (2003: (£195,723)) to Thorneycroft Asset Management Limited, a company in which D. E. Buckland and M. S. Chadha have a beneficial interest, and owed £nil (2003: (£555,731)) to Acre 258 Limited.

In 2003, the company's stock of properties and any rental income therefrom have been provided by the company as security against borrowings of its immediate parent company.

15 Controlling parties

The directors regard Thorneycroft Asset Management Limited as the company's ultimate parent company and controlling party.