



RAVEN FIVE WAYS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004



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RAVEN FIVE WAYS LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------|
| Directors' report | 1 |
| Independent auditors' report | 2 |
| Profit and loss account | 3 |
| Balance sheet | 4 |
| Notes to the financial statements | 5 - 8 |

RAVEN FIVE WAYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

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

Principal activities and review of the business

The company is currently dormant other than in respect of interest earned on its cash and debtor balances.

Results and dividends

The results for the year are set out on 4.

The directors do not recommend payment of an ordinary dividend (2003 - £2,400,000).

Directors

The following directors have held office since 1 July 2003:

Raven Close Nominees Limited

Ramogan Limited

Directors' interests

Ramogan Limited has an interest in 10 Ordinary 'B' shares of £1 each and 80 Deferred shares of £1 each.

The other director had no interest in the shares of the company during the year.

Auditors

Gerald Edelman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

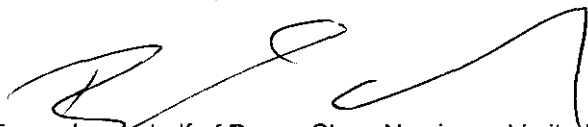
Directors' responsibilities

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:

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

On behalf of the board



For and on behalf of Raven Close Nominees Limited

B. Sandhu

Director

29 November 2004

RAVEN FIVE WAYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RAVEN FIVE WAYS LIMITED

We have audited the financial statements of Raven Five Ways Limited on pages 3 to 8 for the year ended 30 June 2004. 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 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 1 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 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 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

29 November 2004

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

RAVEN FIVE WAYS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

| | Notes | 2004 £ | 2003 £ |
|---|-------|-----------|-------------|
| Turnover | 2 | - | 20,942 |
| Administrative expenses | | (18,461) | (361,269) |
| Operating loss | 3 | (18,461) | (340,327) |
| Profit on disposal of long leasehold investment property | | - | 4,225,841 |
| (Loss)/profit on ordinary activities before interest | | (18,461) | 3,885,514 |
| Other interest receivable and similar income | | 67,359 | 134,528 |
| Interest payable and similar charges | 5 | - | (35,943) |
| Profit on ordinary activities before taxation | | 48,898 | 3,984,099 |
| Tax on profit on ordinary activities | 6 | (9,291) | (29,712) |
| Profit on ordinary activities after taxation | | 39,607 | 3,954,387 |
| Dividends | 7 | - | (2,400,000) |
| Retained profit for the year | 11 | 39,607 | 1,554,387 |

The profit and loss account has been prepared on the basis that all operations are discontinued operations.

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

Note of historical cost profits and losses

| | 2004 £ | 2003 £ |
|---|-----------|-----------|
| Reported profit on ordinary activities before taxation | 48,898 | 3,984,099 |
| Realisation of property revaluation gains of previous years | - | 1,284,541 |
| Historical cost profit on ordinary activities before taxation | 48,898 | 5,268,640 |
| Historical cost profit for the year retained after taxation, extraordinary items and dividends | 39,607 | 2,838,928 |

RAVEN FIVE WAYS LIMITED

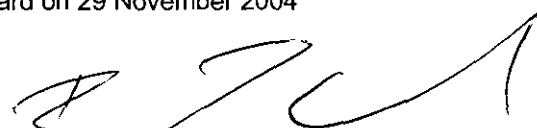
BALANCE SHEET AS AT 30 JUNE 2004

| | Notes | 2004 £ | £ | 2003 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Current assets | | | | | |
| Debtors | 8 | 1,087,819 | | 1,025,017 | |
| Cash at bank and in hand | | 156,683 | | 206,299 | |
| | | <u>1,244,502</u> | | <u>1,231,316</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(9,291)</u> | | <u>(35,712)</u> | |
| Total assets less current liabilities | | <u>1,235,211</u> | | <u>1,195,604</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 100 | | 100 |
| Profit and loss account | 11 | | 1,235,111 | | 1,195,504 |
| Shareholders' funds - equity interests | 12 | | <u>1,235,211</u> | | <u>1,195,604</u> |

The financial statements were approved by the Board on 29 November 2004



Ramogan Limited
Director



For and on behalf of Raven Close Nominees Limited
B.S. Sandhu
Director

RAVEN FIVE WAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

2 Turnover

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

| 3 | Operating loss | 2004 £ | 2003 £ |
|---|--|-----------|-----------|
| | Operating loss is stated after charging: | | |
| | Auditors' remuneration | 1,000 | 6,000 |

| 4 | Investment income | 2004 £ | 2003 £ |
|---|-------------------|-----------|-----------|
| | Bank interest | 5,613 | 110,199 |
| | Other interest | 61,746 | 24,329 |
| | | 67,359 | 134,528 |

| 5 | Interest payable | 2004 £ | 2003 £ |
|---|------------------------------|-----------|-----------|
| | On bank loans and overdrafts | - | 35,943 |

RAVEN FIVE WAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

| | | | |
|----------|--|------------------|--------------------|
| 6 | Taxation | 2004 | 2003 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U.K. corporation tax | 9,291 | 29,712 |
| | | <u>9,291</u> | <u>29,712</u> |
| | Current tax charge | <u>9,291</u> | <u>29,712</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | 48,898 | 3,984,099 |
| | | <u>48,898</u> | <u>3,984,099</u> |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 30.00%) | 9,291 | 1,195,230 |
| | | <u>9,291</u> | <u>1,195,230</u> |
| | Non - taxable item | - | (1,160,120) |
| | Available tax allowances | - | (610,224) |
| | Available tax losses | - | (968,593) |
| | Marginal rate relief | - | (6,203) |
| | Chargeable disposals | - | 1,579,622 |
| | | <u>-</u> | <u>(1,165,518)</u> |
| | Current tax charge | <u>9,291</u> | <u>29,712</u> |
| 7 | Dividends | 2004 | 2003 |
| | | £ | £ |
| | Ordinary interim paid | - | 2,400,000 |
| | | <u>-</u> | <u>2,400,000</u> |
| 8 | Debtors | 2004 | 2003 |
| | | £ | £ |
| | Amounts owed by participating interests | 1,086,239 | 1,000,000 |
| | Other debtors | 1,580 | 25,017 |
| | | <u>1,087,819</u> | <u>1,025,017</u> |

RAVEN FIVE WAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

| 9 Creditors: amounts falling due within one year | 2004 £ | 2003 £ |
|--|--------------|---------------|
| Corporation tax | 9,291 | 29,712 |
| Accruals and deferred income | - | 6,000 |
| | <u>9,291</u> | <u>35,712</u> |

| 10 Share capital | 2004 £ | 2003 £ |
|------------------------------------|--------------|--------------|
| Authorised | | |
| 500 Ordinary 'A' shares of £1 each | 500 | 500 |
| 500 Ordinary 'B' shares of £1 each | 500 | 500 |
| | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid

| | | |
|-----------------------------------|------------|------------|
| 10 Ordinary 'A' shares of £1 each | 10 | 10 |
| 10 Ordinary 'B' shares of £1 each | 10 | 10 |
| 80 Deferred shares of £1 each | 80 | 80 |
| | <u>100</u> | <u>100</u> |

In 2003 80 of the 90 issued "B" Ordinary shares of £1 each were redesignated as Deferred shares of £1 each.

These Deferred shares carry no voting rights and no right to receive any dividend or other distribution.

The remaining "A" and "B" Ordinary shares shall continue to rank pari passu with respect to voting rights and the receipt of future dividends and distributions.

11 Statement of movements on profit and loss account

| | Profit and loss account £ |
|------------------------------|------------------------------------|
| Balance at 1 July 2003 | 1,195,504 |
| Retained profit for the year | <u>39,607</u> |
| Balance at 30 June 2004 | <u>1,235,111</u> |

RAVEN FIVE WAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

| 12 Reconciliation of movements in shareholders' funds | 2004 £ | 2003 £ |
|---|-----------|-------------|
| Profit for the financial year | 39,607 | 3,954,387 |
| Dividends | - | (2,400,000) |
| Opening shareholders' funds | 1,195,604 | (358,783) |
| Closing shareholders' funds | 1,235,211 | 1,195,604 |

13 Employees

Number of employees

There were no employees during the year apart from the directors.

14 Related party transactions

1) Included in debtors are the following balances with the corporate shareholders of the company:

a) £543,120 (2003 - £500,000) due from Ramogan Limited.

b) £543,119 (2003 - £500,000) due from The Raven Property Group Plc.

2) During the year the company paid management fees of £20,000 (2003 - £25,000) and £Nil (2003 - £277,388) to Raven Management Services Limited, a subsidiary of The Raven Property Group Plc, and Ramogan Limited respectively.