

Registered Number
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PBM ESTATES LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 15TH DECEMBER 2003
TO 31ST MARCH 2005

MAURICE ANDREWS
Chartered Accountants
Grove House
25 Upper Mulgrave Road
Cheam
Surrey, SM2 7BE



PBM ESTATES LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005

CONTENTS	PAGES
The directors' report	1 to 2
Independent auditors' report to the shareholders	3 to 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 9

PBM ESTATES LIMITED**THE DIRECTORS' REPORT****PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005**

The directors present their report and the audited financial statements of the company for the period from 15th December 2003 to 31st March 2005.

PRINCIPAL ACTIVITY

The company was incorporated on 15th December 2003 and commenced trading on 8th April 2004.

The principal activity of the company during the period was the letting of residential property.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At	At
		31.3.05	15.12.03
			or later date
			of appointment
R.J. Burgess	(Appointed 16 January 2004)	100	—
G.T. Marsden	(Appointed 16 January 2004)	100	—
P.A. Miller	(Appointed 16 January 2004)	100	—
Brighton Director Limited			
	(Served from 15 December 2003 to 16 January 2004)	—	—

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Maurice Andrews as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

PBM ESTATES LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'R.J. Burgess', written over the printed name and title.

R.J. BURGESS
Company Secretary

Approved by the directors on 4th July 2005

PBM ESTATES LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PBM ESTATES LIMITED****PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005**

We have audited the financial statements of PBM Estates Limited for the period from 15th December 2003 to 31st March 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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.

PBM ESTATES LIMITED

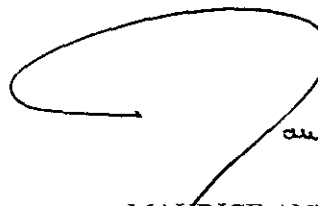
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PBM ESTATES LIMITED (continued)

PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2005 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Grove House,
25 Upper Mulgrave Road,
Cheam,
Surrey, SM2 7BE.
4th July 2005


Maurice Andrews
MAURICE ANDREWS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

PBM ESTATES LIMITED**PROFIT AND LOSS ACCOUNT****PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005**

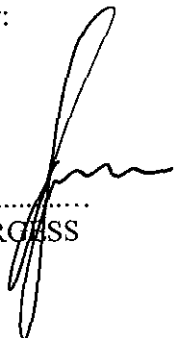
	Note	Period from 15.12.2003 to 31.3.2005 £
TURNOVER		34,884
Operating expenses		<u>6,439</u>
OPERATING PROFIT	2	28,445
Interest receivable		327
Interest payable and similar charges		<u>(30,000)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,228)
Tax on loss on ordinary activities		—
LOSS FOR THE FINANCIAL PERIOD		<u>(1,228)</u>

PBM ESTATES LIMITED**BALANCE SHEET****31ST MARCH 2005**

	Note	31.3.2005 £	£
FIXED ASSETS			
Tangible assets	3		663,391
CURRENT ASSETS			
Debtors	4	949	
Cash at bank		7,149	
		8,098	
CREDITORS: Amounts falling due within one year	5	4,234	
NET CURRENT ASSETS			3,864
TOTAL ASSETS LESS CURRENT LIABILITIES			667,255
CREDITORS: Amounts falling due after more than one year	6		663,483
NET ASSETS			3,772
CAPITAL AND RESERVES			
Called-up equity share capital	8		300
Share premium account	9		4,700
Profit and loss account (deficit)			(1,228)
SHAREHOLDERS' FUNDS			3,772

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 4th July 2005 and are signed on their behalf by:



.....
R.J. BURGESS

PBM ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

2. OPERATING PROFIT

Operating profit is stated after charging:

	Period from 15.12.2003 to 31.3.2005 £
Directors' emoluments	—
Auditors' fees	<u>1,234</u>

3. TANGIBLE FIXED ASSETS**Freehold Investment Property**

	£
COST	
Additions	663,391
At 31st March 2005	<u>663,391</u>
NET BOOK VALUE	
At 31st March 2005	<u>663,391</u>

PBM ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005****4. DEBTORS**

	31.3.2005
	£
Other debtors and prepayments	<u>949</u>

5. CREDITORS: Amounts falling due within one year

	31.3.2005
	£
Other creditors and accruals	<u>4,234</u>

6. CREDITORS: Amounts falling due after more than one year

	31.3.2005
	£
Bank loans and overdrafts	<u>663,483</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	31.3.2005
	£
Bank loans and overdrafts	<u>663,483</u>

7. TRANSACTIONS WITH THE DIRECTORS

The company charged fees to Abbie Management Limited, a company in which R.J. Burgess, G.T. Marsden and P.A. Miller are also shareholders and directors. The amount of these fees was £15,888.

8. SHARE CAPITAL**Authorised share capital:**

	31.3.2005
	£
1,000 Ordinary shares of £1 each	<u>1,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>

300 Ordinary shares of £1 each were issued on 8th February 2004 for cash at a premium of £15.67 per share.

PBM ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 15TH DECEMBER 2003 TO 31ST MARCH 2005****9. SHARE PREMIUM ACCOUNT**

	Period from 15.12.2003 to 31.3.2005 £
Premium on shares issued in the period	4,700
Balance carried forward	<u>4,700</u>

10. GOING CONCERN

Although the financial statements disclose that the company made a loss of £1,228 for the period ended 31st March 2005 the financial statements have, nevertheless, been prepared on a going concern basis which assumes that the company will continue to receive the financial support of its directors and shareholders and will be able to earn sufficient profits in the future in order to be able to meet its liabilities as they fall due. If such support were not to be available, adjustments would have to be made to reduce the value of the assets to their recoverable amounts and to provide for any further liabilities which might arise.