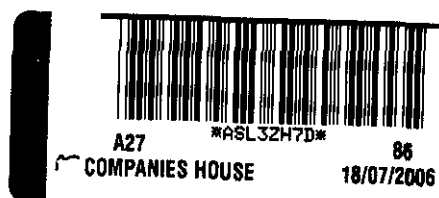


GRAVES & GRAVES INVESTMENTS LIMITED
FINANCIAL STATEMENTS
31ST OCTOBER 2005



ALAN DAY & COMPANY

Accountants
23 Dartford Road
March
Cambs.
PE15 8AN

GRAVES & GRAVES INVESTMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2005

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GRAVES & GRAVES INVESTMENTS LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31ST OCTOBER 2005**

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st October 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property investment.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At 31 October 2005	At 1 November 2004
Mr M F Graves	2,400	2,400
Mrs J A Graves	<u>2,400</u>	<u>2,400</u>

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.

Registered office:
24 London Road
Chatteris
Cambs
PE16 6AS

Signed by order of the directors



Company Secretary

Approved by the directors on ...8-7-06...

GRAVES & GRAVES INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST OCTOBER 2005**

	Note	2005 £	2004 £
TURNOVER		19,699	19,772
Administrative expenses		<u>27,036</u>	<u>11,044</u>
OPERATING (LOSS)/PROFIT	2	(7,337)	8,728
Profit on sale of property	3	—	50,000
Interest receivable		<u>4,230</u>	<u>4,179</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,107)	62,907
Tax on (loss)/profit on ordinary activities	4	—	1,712
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(3,107)	61,195
Equity dividends paid		<u>6,000</u>	<u>12,000</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(9,107)	49,195
Balance brought forward		<u>503,786</u>	<u>454,591</u>
Balance carried forward		<u><u>494,679</u></u>	<u><u>503,786</u></u>

The notes on pages 5 to 7 form part of these financial statements.

GRAVES & GRAVES INVESTMENTS LIMITED**BALANCE SHEET****31ST OCTOBER 2005**

	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	5		307,679		186,980
Investments	6		30,000		30,000
			<u>337,679</u>		<u>216,980</u>
CURRENT ASSETS					
Debtors	7	34,396		34,168	
Cash at bank		<u>129,192</u>		<u>260,851</u>	
		163,588		295,019	
CREDITORS: Amounts falling due within one year	8	<u>588</u>		<u>2,213</u>	
NET CURRENT ASSETS			<u>163,000</u>		<u>292,806</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>500,679</u>		<u>509,786</u>

The Balance sheet continues on the following page.

The notes on pages 5 to 7 form part of these financial statements.

GRAVES & GRAVES INVESTMENTS LIMITED**BALANCE SHEET** *(continued)***31ST OCTOBER 2005**

	Note	2005 £	2004 £
CAPITAL AND RESERVES			
Called-up equity share capital	10	6,000	6,000
Profit and loss account		<u>494,679</u>	<u>503,786</u>
SHAREHOLDERS' FUNDS		<u>500,679</u>	<u>509,786</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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 08.07.06 and are signed on their behalf by:


MR M F GRAVES

GRAVES & GRAVES INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 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 year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 25%

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2005	2004
	£	£
Directors' emoluments	<u>5,437</u>	<u>3,840</u>

3. INCOME FROM PROPERTY SALE

	2005	2004
	£	£
Profit on sale of property	<u>-</u>	<u>50,000</u>

4. TAXATION ON ORDINARY ACTIVITIES

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at -% (2004 - -%)	<u>-</u>	<u>1,712</u>
Total current tax	<u>-</u>	<u>1,712</u>

GRAVES & GRAVES INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2005****5. TANGIBLE FIXED ASSETS**

	Freehold Property £	Equipment £	Total £
COST			
At 1st November 2004	186,975	108	187,083
Additions	120,699	—	120,699
At 31st October 2005	307,674	108	307,782
DEPRECIATION			
At 1st November 2004	—	103	103
At 31st October 2005	—	103	103
NET BOOK VALUE			
At 31st October 2005	307,674	5	307,679
At 31st October 2004	186,975	5	186,980

The freehold property was revalued at £186,975 in April 1999 by Grounds & Co Valuers. The directors consider these valuations reflect the value at 31st October 2005.

6. INVESTMENTS**Investments held as current assets**

	£
COST	
At 1st November 2004 and 31st October 2005	30,000
NET BOOK VALUE	
At 31st October 2005	30,000
At 31st October 2004	30,000

7. DEBTORS

	2005 £	2004 £
Other debtors	32,750	32,750
Prepayments and accrued income	1,646	1,418
	34,396	34,168

Included in debtors is a long term debt of £32,750 owed by a previous tenant.

GRAVES & GRAVES INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST OCTOBER 2005****8. CREDITORS: Amounts falling due within one year**

	2005	2004
	£	£
Other creditors including taxation:		
Corporation tax	—	1,719
Accruals and deferred income	588	494
	<u>588</u>	<u>2,213</u>

9. RELATED PARTY TRANSACTIONS

Mr and Mrs Graves and members of their family, who own 100% of the share capital, have ultimate control of the company. No related party transactions took place during the year.

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

	2005	2004
	£	£
6,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>