

Company Registration No. 2808377 (England and Wales)

**PARKVIEW INTERNATIONAL LONDON PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2004**



Jeffreys Henry LLP

Finsgate  
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London  
EC1V 9EE

# PARKVIEW INTERNATIONAL LONDON PLC

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# PARKVIEW INTERNATIONAL LONDON PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

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The directors present their report and financial statements for the year ended 31 March 2004.

### Principal activities and review of the business

The principal activity of the company continued to be that of property development and investment management services and a project co-ordinator on a large site. The company owns no land and buildings.

To date none of the investments which the company proposed to manage have reached a position whereby appropriate management contracts can be entered into in respect of its principal development site. Outline planning consent was obtained on the 15 May 1997 and detailed planning consent was obtained on the 25 May 2001 and April 2003. Application has been made for revised planning.

### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

### Directors

The following directors have held office since 1 April 2003:

V Hwang  
Federation Limited

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2004	1 April 2003
V Hwang	1	1
Federation Limited	-	-

Charitable donations	2004	2003
	£	£

During the year the company made the following payments:

Charitable donations	11,862	14,464
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### Auditors

On 30 April 2004 Jeffreys Henry resigned as auditors. Subsequently Jeffreys Henry LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that Jeffreys Henry LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

# PARKVIEW INTERNATIONAL LONDON PLC

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

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### 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



.....  
V Hwang

Director

20.10.04

# PARKVIEW INTERNATIONAL LONDON PLC

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARKVIEW INTERNATIONAL LONDON PLC

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We have audited the financial statements of Parkview International London Plc on pages 4 to 16 for the year ended 31 March 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 2 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

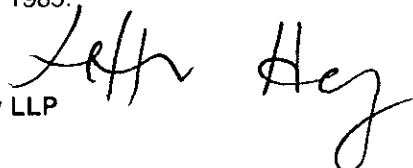
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Jeffreys Henry LLP



20.10.04

Chartered Accountants  
Registered Auditor

Finsgate, 5-7 Cranwood Street  
London  
EC1V 9EE

# PARKVIEW INTERNATIONAL LONDON PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover	2	4,042,519	2,540,876
Administrative expenses		(3,782,317)	(2,278,980)
<b>Profit on ordinary activities before taxation</b>	3	260,202	261,896
Tax on profit on ordinary activities	4	150,000	6,404
<b>Profit on ordinary activities after taxation</b>		410,202	268,300
Dividends	5	(3,000,000)	-
<b>Retained (loss)/profit for the year</b>	13	(2,589,798)	268,300

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

# PARKVIEW INTERNATIONAL LONDON PLC

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2004

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	2004	2003
	£	£
Profit for the financial year	410,202	268,300
Prior year adjustment	-	143,596
	<hr/>	<hr/>
<b>Total gains and losses recognised since last financial statements</b>	<u>410,202</u>	<u>411,896</u>

# PARKVIEW INTERNATIONAL LONDON PLC

## BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004		2003	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		825,712		764,579
<b>Current assets</b>					
Debtors	7	1,217,928		11,212,689	
Cash at bank and in hand		4,407		1,760	
		<u>1,222,335</u>		<u>11,214,449</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(555,705)</u>		<u>(1,954,705)</u>	
<b>Net current assets</b>			<u>666,630</u>		<u>9,259,744</u>
<b>Total assets less current liabilities</b>			<u>1,492,342</u>		<u>10,024,323</u>
<b>Creditors: amounts falling due after more than one year</b>	9		-		(5,942,183)
			<u>1,492,342</u>		<u>4,082,140</u>
<b>Capital and reserves</b>					
Called up share capital	12		1,000,000		1,000,000
Profit and loss account	13		492,342		3,082,140
<b>Shareholders' funds - equity interests</b>	14		<u>1,492,342</u>		<u>4,082,140</u>

The financial statements were approved by the Board on 20/10/04.

V Hwang  
Director

# PARKVIEW INTERNATIONAL LONDON PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

		2004		2003
	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>		9,730,843		(3,281,990)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(246,695)		(691,037)	
<b>Net cash outflow for capital expenditure</b>		(246,695)		(691,037)
<b>Equity dividends paid</b>		(3,000,000)		-
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		6,484,148		(3,973,027)
<b>Financing</b>				
Other new long term loans	-		3,566,254	
Repayment of other long term loans	(5,922,965)		-	
Capital element of hire purchase contracts	(53,028)		29,321	
<b>Net cash (outflow)/inflow from financing</b>		(5,975,993)		3,595,575
<b>Increase/(decrease) in cash in the year</b>		<u>508,155</u>		<u>(377,452)</u>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2004	2003
		£	£
	Operating profit	260,202	261,896
	Depreciation of tangible assets	185,562	179,441
	Decrease/(increase) in debtors	10,144,761	(3,415,169)
	Decrease in creditors within one year	(859,682)	(308,158)
	<b>Net cash inflow/(outflow) from operating activities</b>	<u>9,730,843</u>	<u>(3,281,990)</u>

2	Analysis of net debt	1 April 2003	Cash flow	Other non- 31 March 2004 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	1,760	2,647	-
	Bank overdrafts	(535,903)	505,508	-
		<u>(534,143)</u>	<u>508,155</u>	<u>-</u>
	Debt:			
	Finance leases	(72,771)	53,028	-
	Debts falling due after one year	(5,922,965)	5,922,965	-
	<b>Net debt</b>	<u>(6,529,879)</u>	<u>6,484,148</u>	<u>(45,731)</u>

3	Reconciliation of net cash flow to movement in net debt	2004	2003
		£	£
	Increase/(decrease) in cash in the year	508,155	(377,452)
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	5,975,993	(3,592,466)
	<b>Movement in net debt in the year</b>	<u>6,484,148</u>	<u>(3,969,918)</u>
	Opening net debt	(6,529,879)	(2,559,961)
	<b>Closing net debt</b>	<u>(45,731)</u>	<u>(6,529,879)</u>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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### 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.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts; and rental income.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% straight line

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### 1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 2 Turnover

In the opinion of the directors it would be seriously prejudicial to disclose the geographical analysis of turnover.

### 3 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	185,562	179,441
Operating lease rentals	150,000	74,474
Auditors' remuneration	8,500	7,500
	<u>          </u>	<u>          </u>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

4 Taxation	2004	2003
Current tax charge	-	-
<b>Deferred tax</b>		
Deferred tax charge/credit current year	(150,000)	(150,000)
Deferred tax adjust re previous year	-	143,596
	<u>(150,000)</u>	<u>(6,404)</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>260,202</u>	<u>261,896</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	<u>78,061</u>	<u>78,569</u>
After charging:		
Non deductible expenses	10,233	11,195
Depreciation add back	55,668	53,832
Tax losses utilised	(143,962)	(143,596)
	<u>(78,061)</u>	<u>(78,569)</u>
<b>Current tax charge</b>	<u>-</u>	<u>-</u>

The company has estimated losses of £ 4,521,754 (2003: £ 5,001,627) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

5 Dividends	2004	2003
	£	£
Ordinary interim paid	<u>3,000,000</u>	<u>-</u>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 6 Tangible fixed assets

	Office equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2003	469,995	688,234	125,997	1,284,226
Additions	153,723	72,514	20,458	246,695
At 31 March 2004	623,718	760,748	146,455	1,530,921
<b>Depreciation</b>				
At 1 April 2003	251,683	190,704	77,260	519,647
Charge for the year	60,344	109,198	16,020	185,562
At 31 March 2004	312,027	299,902	93,280	705,209
<b>Net book value</b>				
At 31 March 2004	311,691	460,846	53,175	825,712
At 31 March 2003	218,312	497,530	48,737	764,579

Included above are assets held under finance leases or hire purchase contracts as follows:

	Office equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Net book values</b>				
At 31 March 2004	-	42,946	-	42,946
At 31 March 2003	17,540	53,658	38,946	110,144
<b>Depreciation charge for the year</b>				
31 March 2004	-	10,732	-	10,732
31 March 2003	4,385	13,415	20,325	38,125

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

<b>7 Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	702,770	10,264,211
Other debtors	208,794	786,756
Prepayments and accrued income	6,364	11,722
Deferred tax asset	300,000	150,000
	<u>1,217,928</u>	<u>11,212,689</u>

<b>8 Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	30,395	535,903
Net obligations under finance leases	19,743	53,553
Trade creditors	278,208	1,216,441
Taxes and social security costs	52,516	67,774
Other creditors	209	-
Accruals and deferred income	174,634	81,034
	<u>555,705</u>	<u>1,954,705</u>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

9 Creditors: amounts falling due after more than one year	2004 £	2003 £
Other loans	-	5,922,965
Net obligations under finance leases	-	19,218
	<u>-</u>	<u>5,942,183</u>
	<u>-</u>	<u>5,942,183</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	-	5,922,965
	<u>-</u>	<u>5,922,965</u>
	<u>-</u>	<u>5,922,965</u>
<b>Loan maturity analysis</b>		
In more than two years but not more than five years	-	5,922,965
	<u>-</u>	<u>5,922,965</u>
	<u>-</u>	<u>5,922,965</u>
<b>Net obligations under finance leases</b>		
Repayable within one year	21,464	59,266
Repayable between one and five years	-	20,939
	<u>21,464</u>	<u>80,205</u>
Finance charges and interest allocated to future accounting periods	(1,721)	(7,434)
	<u>19,743</u>	<u>72,771</u>
Included in liabilities falling due within one year	(19,743)	(53,553)
	<u>-</u>	<u>19,218</u>
	<u>-</u>	<u>19,218</u>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 10 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 7) is made up as follows:

	2004 £	
Balance at 1 April 2003	(150,000)	
Profit and loss account	(150,000)	
	<u>(300,000)</u>	
Balance at 31 March 2004	<u>(300,000)</u>	

	2004 £	2003 £
Accelerated capital allowances	(82,893)	(61,514)
Tax losses available	(217,107)	(88,486)
	<u>(300,000)</u>	<u>(150,000)</u>

### 11 Pension costs

#### Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	<u>6,384</u>	<u>2,147</u>

### 12 Share capital

	2004 £	2003 £
<b>Authorised</b>		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Allotted, called up and fully paid</b>		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2003	3,082,140
Retained loss for the year	(2,589,798)
	<hr/>
Balance at 31 March 2004	492,342
	<hr/> <hr/>

### 14 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	410,202	268,300
Dividends	(3,000,000)	-
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(2,589,798)	268,300
Opening shareholders' funds	4,082,140	3,813,840
	<hr/>	<hr/>
Closing shareholders' funds	1,492,342	4,082,140
	<hr/> <hr/>	<hr/> <hr/>

### 15 Financial commitments

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2004 £	Other 2003 £
	2004 £	2003 £		
Repayable: -				
Within one year	-	36,500	-	76,293
Over five years	150,000	150,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	150,000	186,500	-	76,293
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# PARKVIEW INTERNATIONAL LONDON PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 16 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Administration	51	29
<b>Employment costs</b>		
	£	£
Wages and salaries	1,206,576	777,177
Social security costs	131,331	78,474
Other pension costs	6,384	2,147
	<u>1,344,291</u>	<u>857,798</u>

### 17 Control

The ultimate parent company is Festival Investments Limited, a company registered in the British Virgin Islands.

### 18 Related party transactions

Falkenberg Investments Limited, a company connected to one of the directors, provided interest free loans. The balance due at the year end was £Nil (2003- £5,922,965).

Redling Investments Limited, a company connected to one of the directors, owns the leasehold of the property which was previously used as the company's offices. The balance receivable at the year end was £39,252 (2003- £28,025).

Management fees received from Halcyon Estates Limited for the year were £3,990,085 (2003 - £2,357,657). The balance receivable at the year end was £483,568 (2003 - £10,034,058).

**PARKVIEW INTERNATIONAL LONDON PLC**

**MANAGEMENT INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2004**

# PARKVIEW INTERNATIONAL LONDON PLC

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

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		2004		2003
	£	£	£	£
<b>Turnover</b>				
Project management fees		3,990,085		2,357,657
Fees receivable		52,434		183,219
		<u>4,042,519</u>		<u>2,540,876</u>
<b>Administrative expenses</b>		(3,782,317)		(2,278,980)
<b>Operating profit</b>		<u>260,202</u>		<u>261,896</u>

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# PARKVIEW INTERNATIONAL LONDON PLC

## SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2004

	2004	2003
	£	£
<b>Administrative expenses</b>		
Wages and salaries (excl. N.I.)	1,206,576	777,177
Employer's N.I. contributions	131,331	78,474
Staff pension costs	6,384	2,147
Recruitment and training	107,130	582
Rent	150,000	74,474
Rates	94,723	111,716
Insurance	21,614	9,591
Relocation costs	-	11,124
Light and heat	50,417	34,403
Cleaning	51,115	25,180
Repairs and maintenance	109,304	59,323
Printing, postage and stationery	87,294	64,627
Advertising	11,866	12,568
Telephone	94,449	90,140
Computer running costs	53,367	40,757
Hire of equipment	90,332	87,485
Motor running expenses	45,842	28,369
Travelling expenses	197,969	171,528
Entertaining	17,847	22,673
Legal fees	240,280	18,717
Consultancy fees	674,535	278,632
Audit fees	8,500	7,500
Bank charges and interest	4,215	8,570
Staff welfare	116,460	67,650
Security costs for BPS	9,181	3,477
Sundry expenses	4,162	(1,809)
Charitable donations - other	11,862	14,464
Depreciation on office equipment	60,344	41,086
Depreciation on fixtures and equipment	109,198	115,284
Depreciation on motor vehicles	16,020	23,071
	<u>3,782,317</u>	<u>2,278,980</u>