

## Report of the directors for the year ended 31 March 2005

The directors present their report together with the audited financial statements for the year ended 31 March 2005.

### Principal activities, review of the business and future developments

The principal activities of the Group during the year were property related services which included residential house building, commercial property development and property management.

The Chairman's statement, operational and financial reviews are set out on pages 5 to 9 and contain details of the Group's progress during the year together with an indication of future developments.

### Results and dividends

The profit and loss account is set out on page 18 and shows the profit for the year. The Group profit for the year after taxation amounted to £1,737,483 (2004: £768,802).

The directors do not propose to pay a final dividend for the year (2004: £nil). No ordinary dividends were paid in the year (2004: £nil).

### Directors

The following directors have held office throughout the year:

Michael Stevens  
Christopher Musselle  
Martyn Freeman  
Norman Saunders  
John Hemingway

### Directors' shareholdings

The directors at 31 March 2005 and their interests in the share capital (beneficially or potentially beneficially held) of the Company at the dates stated were:

|                      | Ordinary shares |            | Options   |           |
|----------------------|-----------------|------------|-----------|-----------|
|                      | 2005            | 2004       | 2005      | 2004      |
| Michael Stevens      | 29,666,667      | 29,666,667 | –         | –         |
| Christopher Musselle | 298,853         | 298,853    | 3,833,333 | 1,780,000 |
| Martyn Freeman       | 204,000         | 204,000    | 3,833,333 | 1,500,000 |
| Norman Saunders      | 46,666          | 46,666     | –         | –         |
| John Hemingway       | –               | –          | –         | –         |

### Substantial shareholders

At 11 July 2005 the Company has been notified of the following interests in its issued share capital pursuant to Part VI of the Companies Act 1985:

|                       | Ordinary shares of 0.5p each |          |
|-----------------------|------------------------------|----------|
| Aspen Finance Limited | 29,666,667                   | (10.28%) |

Michael Stevens, a director, is beneficially interested in the shares held by Aspen Finance Limited as a director of Aspen Finance Limited and a potential beneficiary of its parent company, Okaba Management Inc.

### Creditors payment policy

Group operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with all relevant terms and conditions. The number of average days purchases of the Company represented by trade creditors at 31 March 2005 was 30 days (2004: 29 days).

### Annual General Meeting

The Annual General Meeting of the Company will be held at Butchers Hall, 87 Bartholomew Close, London, EC1A 9HP on 7 September 2005 at 11am. Notice of the Annual General Meeting will be separately enclosed with the distribution of the Report and Accounts.

### Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By order of the Board

### Philip Speer Secretary

11 July 2005