

TARIAN INVESTMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2002

Company Number: 518421

**Jacob Cavenagh & Skeet
Chartered Accountants
6/8 Tudor Court
Brighton Road
Sutton, Surrey, SM2 5AE**



TARIAN INVESTMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2002

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TARIAN INVESTMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st March 2002.

Principal activity

The principal activity of the company and its subsidiary is holding properties for investment.

Directors and their interests

The directors throughout the year and their interests in the shares of the company were as follows:

	<i>Ordinary shares</i>	
	<i>31st March 2002</i>	<i>1st April 2001</i>
D R Carpenter	130	130
R D Jones	109	109

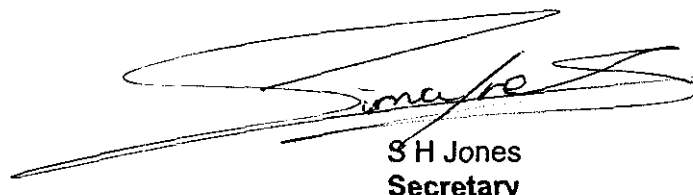
Auditors

Jacob Cavenagh & Skeet were appointed during the year and a resolution proposing their reappointment will be considered at the next Annual General Meeting.

Small company

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



S H Jones
Secretary

Superla House
127 Chiltern Drive
Berrylands Station
Surbiton
Surrey KT5 8LS

18th June 2002

TARIAN INVESTMENT COMPANY LIMITED

STATEMENT OF 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 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 it 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.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF
TARIAN INVESTMENT COMPANY LIMITED**

We have audited the financial statements of Tarian Investment Company Limited for the year ended 31st March 2002 on pages 4 to 8. The financial statements have been prepared under the historical cost convention, as modified for the revaluation of properties held for investment, and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of 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 statutory 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 at 31st March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

6/8 Tudor Court
Brighton Road
Sutton
Surrey
SM2 5AE

8 July 2002

Jacob Cavenagh & Skeet

Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditor

TARIAN INVESTMENT COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002**

	Note	2002 £	2001 £
Net rents receivable		218,963	220,429
Administrative expenses		<u>67,646</u>	<u>68,100</u>
Operating profit	2	151,317	152,329
Profit on sale of properties		142,809	108,718
Investment income		60,000	60,000
Interest receivable		<u>39,219</u>	<u>32,351</u>
Profit on ordinary activities before taxation		393,345	353,398
Taxation	3	<u>99,301</u>	<u>76,015</u>
Profit for the year after taxation		294,044	277,383
Dividends		<u>112,500</u>	<u>112,500</u>
Retained profit transferred to reserves	9	<u>181,544</u>	<u>164,883</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31ST MARCH 2002

	2002 £	2001 £
Profit on ordinary activities after taxation	294,044	277,383
Unrealised surplus on revaluation of properties	<u>243,609</u>	<u>77,464</u>
Total gains and losses relating to the year	<u>537,653</u>	<u>354,847</u>

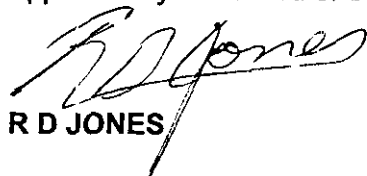
TARIAN INVESTMENT COMPANY LIMITED

**BALANCE SHEET
AS AT 31ST MARCH 2002**

		2002		2001	
	Note	£	£	£	£
Fixed assets					
Properties held for investment	4		3,034,788		2,672,141
Investments	5		<u>39,023</u>		<u>39,023</u>
			3,073,811		2,711,164
Current assets					
Debtors	6	83,658		74,626	
Investments		866,555		713,888	
Cash at bank and in hand		<u>48,197</u>		<u>85,810</u>	
		998,410		874,324	
Creditors: Amounts falling due within one year	7	<u>371,328</u>		<u>309,748</u>	
Net current assets			<u>627,082</u>		<u>564,576</u>
Total assets less current liabilities			<u>3,700,893</u>		<u>3,275,740</u>
Capital and reserves					
Called up share capital	8		900		900
Revaluation reserve	9		1,531,594		1,562,293
Capital reserve	9		1,515,985		1,143,256
Profit and loss account	9		<u>652,414</u>		<u>569,291</u>
Total shareholders' funds			<u>3,700,893</u>		<u>3,275,740</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 18th June 2002 and signed on its behalf by:


R D JONES

TARIAN INVESTMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2002

1 ACCOUNTING POLICIES

(a) **Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, as modified by the revaluation of investment properties.

(b) **Consolidation**

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided in Section 248 of the Companies Act 1985 not to prepare group accounts.

(c) **Investment properties**

Properties held as investments are included in the financial statements at their open market value at the balance sheet date and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided since the properties are revalued annually. This represents a departure from the provisions of the Companies Act 1985 and is required for the accounts to give a true and fair view. The amount of depreciation which might otherwise have been shown cannot be separately identified or quantified.

(d) **Capital reserve**

Any profit or loss realised, less attributable taxation, on the disposal of properties, securities or other assets held for investment is transferred to capital reserve from the profit and loss account.

(e) **Deferred taxation**

Provision is made at the rate it is expected to be paid for the estimated deferment of corporation tax liability through the application of capital allowances in advance of the corresponding depreciation charges in the accounts and other short-term timing differences. Provision is not made for taxation arising in the event that the land and buildings are disposed of at the amount at which they are shown in the accounts.

2 OPERATING PROFIT

	2002 £	2001 £
This is stated after charging:		
Directors' emoluments	33,250	30,100
Pensions to former directors	10,000	10,000
Audit fees	<u>750</u>	<u>700</u>

3 TAXATION ON PROFIT FROM ORDINARY ACTIVITIES

The tax assessed for the period is lower than the rate of corporation tax of 28.86%
The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>393,345</u>	<u>353,398</u>
Profit on ordinary activities multiplied by the corporation tax rate of 28.9% (2001: 27.9%)	113,520	98,634
Effects of:		
Profit on sale of properties in excess of chargeable gains	3,159	(5,873)
Adjustment to tax charge in respect of previous periods	(62)	-
Dividend income not taxable	<u>(17,316)</u>	<u>(16,746)</u>
	<u>99,301</u>	<u>76,015</u>

TARIAN INVESTMENT COMPANY LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2002**

4 PROPERTIES HELD FOR INVESTMENT

Freehold land and buildings	£
Valuation	
At 1st April 2001	2,672,141
Additions	575,473
Disposals	(456,435)
Revaluation	243,609
At 31st March 2002	<u>3,034,788</u>

Land and buildings, having an historical cost of £1,503,194, were valued by the directors at the year end on the basis of open market value.

5 FIXED ASSET INVESTMENTS

Cost	£
At 1st April 2001 and 31st March 2002	<u>39,023</u>

The company holds the whole of the issued share capital of Carigluz Investment Company Limited, which is engaged in property investment. At 31st March 2002 the aggregate amount of capital and reserves of Carigluz Investment Company Limited was £3,112,042 and the profit for the year after taxation to that date was £151,185.

6 DEBTORS	2002	2001
	£	£
Rent debtors	20,734	5,883
Other debtors and prepayments	2,924	8,743
Amount due from subsidiary undertaking	<u>60,000</u>	<u>60,000</u>
	<u>83,658</u>	<u>74,626</u>

7 CREDITORS: Amounts falling due within one year	2002	2001
	£	£
Current corporation tax	99,395	76,015
Other taxation and social security costs	9,982	5,451
Other creditors	149,451	115,782
Proposed dividends	<u>112,500</u>	<u>112,500</u>
	<u>371,328</u>	<u>309,748</u>

TARIAN INVESTMENT COMPANY LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2002**

8	CALLED UP SHARE CAPITAL	2002	2001
		£	£
	Authorised		
	1,000 shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	900 shares of £1 each	<u>900</u>	<u>900</u>
9	RESERVES	Revaluation reserve £	Capital reserve £
			Profit and loss account £
	At 1st April 2001	1,562,293	1,143,256
	Retained profit for the year	-	-
	Transferred in connection with property disposals	(274,308)	372,729
	Revaluation surplus on property portfolio	<u>243,609</u>	<u>-</u>
	At 31st March 2002	<u>1,531,594</u>	<u>1,515,985</u>

10 RELATED PARTY TRANSACTIONS

Messrs D R Carpenter and R D Jones are shareholders in H C Jones & Co (Surrey) Limited which has charged £12,366 for property management services during the year ended 31st March 2002. Rent receivable includes £2,000 from H C Jones & Co (Surrey) Limited.