

**TARIAN INVESTMENT COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH 2003**

**Company Number: 518421**

**Jacob Cavenagh & Skeet**  
**Chartered Accountants**  
**5 Robin Hood Lane**  
**Sutton**  
**Surrey SM1 2SW**



**TARIAN INVESTMENT COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH 2003**

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# TARIAN INVESTMENT COMPANY LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report and the audited financial statements for the year ended 31st March 2003.

### 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 2003</i> | <i>1st April 2002</i> |
| D R Carpenter | 130                    | 130                   |
| R D Jones     | 109                    | 109                   |

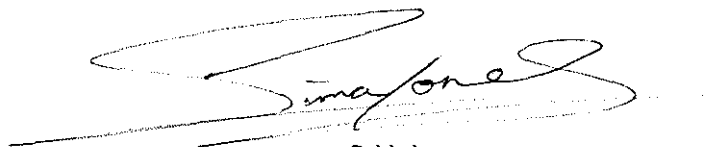
### Auditors

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

10th June 2003

## **TARIAN INVESTMENT COMPANY LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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**

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We have audited the financial statements of Tarian Investment Company Limited for the year ended 31st March 2003 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.

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 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

22nd July 2003

*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 2003**

|                                                      | <i>Note</i> | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|------------------------------------------------------|-------------|-------------------|-------------------|
| Net rents receivable                                 |             | 221,629           | 218,963           |
| Administrative expenses                              |             | <u>72,374</u>     | <u>67,646</u>     |
| <b>Operating profit</b>                              | 2           | 149,255           | 151,317           |
| Profit on sale of properties                         |             | 500               | 142,809           |
| Investment income                                    |             | 60,000            | 60,000            |
| Commission receivable                                |             | 1,520             | -                 |
| Interest receivable                                  |             | <u>28,668</u>     | <u>39,219</u>     |
| <b>Profit on ordinary activities before taxation</b> |             | 239,943           | 393,345           |
| Taxation                                             | 3           | <u>46,990</u>     | <u>99,301</u>     |
| <b>Profit for the year after taxation</b>            |             | 192,953           | 294,044           |
| Dividends                                            |             | <u>112,500</u>    | <u>112,500</u>    |
| <b>Retained profit transferred to reserves</b>       | 9           | <u>80,453</u>     | <u>181,544</u>    |

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**YEAR ENDED 31ST MARCH 2003**

|                                                    | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|----------------------------------------------------|-------------------|-------------------|
| Profit on ordinary activities after taxation       | 192,953           | 294,044           |
| Unrealised surplus on revaluation of properties    | <u>-</u>          | <u>243,609</u>    |
| <b>Total gains and losses relating to the year</b> | <u>192,953</u>    | <u>537,653</u>    |

# TARIAN INVESTMENT COMPANY LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2003

|                                                       |      | 2003           |                  | 2002           |                  |
|-------------------------------------------------------|------|----------------|------------------|----------------|------------------|
|                                                       | Note | £              | £                | £              | £                |
| <b>Fixed assets</b>                                   |      |                |                  |                |                  |
| Properties held for investment                        | 4    |                | 3,024,788        |                | 3,034,788        |
| Investments                                           | 5    |                | <u>39,023</u>    |                | <u>39,023</u>    |
|                                                       |      |                | 3,063,811        |                | 3,073,811        |
| <b>Current assets</b>                                 |      |                |                  |                |                  |
| Debtors                                               | 6    | 91,680         |                  | 83,658         |                  |
| Investments                                           |      | 888,446        |                  | 866,555        |                  |
| Cash at bank and in hand                              |      | <u>16,847</u>  |                  | <u>48,197</u>  |                  |
|                                                       |      | 996,973        |                  | 998,410        |                  |
| <b>Creditors:</b> Amounts falling due within one year | 7    | <u>279,438</u> |                  | <u>371,328</u> |                  |
| <b>Net current assets</b>                             |      |                | <u>717,535</u>   |                | <u>627,082</u>   |
| <b>Total assets less current liabilities</b>          |      |                | <u>3,781,346</u> |                | <u>3,700,893</u> |
| <b>Capital and reserves</b>                           |      |                |                  |                |                  |
| Called up share capital                               | 8    |                | 900              |                | 900              |
| Revaluation reserve                                   | 9    |                | 1,521,600        |                | 1,531,594        |
| Capital reserve                                       | 9    |                | 1,524,507        |                | 1,515,985        |
| Profit and loss account                               | 9    |                | <u>734,339</u>   |                | <u>652,414</u>   |
| <b>Total shareholders' funds</b>                      |      |                | <u>3,781,346</u> |                | <u>3,700,893</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 10th June 2003 and signed on its behalf by:

  
R D JONES

**TARIAN INVESTMENT COMPANY LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2003****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**

|                                | <b>2003</b> | <b>2002</b> |
|--------------------------------|-------------|-------------|
|                                | <b>£</b>    | <b>£</b>    |
| This is stated after charging: |             |             |
| Directors' emoluments          | 22,728      | 33,250      |
| Pensions to former directors   | 10,500      | 10,000      |
| Audit fees                     | <u>800</u>  | <u>750</u>  |

**3 TAXATION ON PROFIT FROM ORDINARY ACTIVITIES**

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

|                                                                                              | <b>2003</b>      | <b>2002</b>      |
|----------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                              | <b>£</b>         | <b>£</b>         |
| Profit on ordinary activities before tax                                                     | <u>239,943</u>   | <u>393,345</u>   |
| Profit on ordinary activities multiplied by the corporation tax rate of 25.34% (2002: 28.9%) | 60,801           | 113,520          |
| Effects of:                                                                                  |                  |                  |
| Profit on sale of properties in excess of chargeable gains                                   | 1,393            | 3,159            |
| Adjustment to tax charge in respect of previous periods                                      | -                | ( 62)            |
| Dividend income not taxable                                                                  | <u>( 15,204)</u> | <u>( 17,316)</u> |
|                                                                                              | <u>46,990</u>    | <u>99,301</u>    |

# TARIAN INVESTMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2003 (continued)

### 4 PROPERTIES HELD FOR INVESTMENT

|                                    |                  |
|------------------------------------|------------------|
| <b>Freehold land and buildings</b> | <b>£</b>         |
| <b>Valuation</b>                   |                  |
| At 1st April 2002                  | 3,034,788        |
| Disposals                          | ( 10,000)        |
| At 31st March 2003                 | <u>3,024,788</u> |

Land and buildings, having an historical cost of £1,503,188, were valued by the directors at the year end on the basis of open market value.

### 5 FIXED ASSET INVESTMENTS

|                                       |               |
|---------------------------------------|---------------|
| <b>Cost</b>                           | <b>£</b>      |
| At 1st April 2002 and 31st March 2003 | <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 2003 the aggregate amount of capital and reserves of Carigluz Investment Company Limited was £3,274,346 and the profit for the year after taxation to that date was £222,304.

| 6 | <b>DEBTORS</b>                                        | <b>2003</b><br>£ | <b>2002</b><br>£ |
|---|-------------------------------------------------------|------------------|------------------|
|   | Rent debtors                                          | 26,927           | 20,734           |
|   | Prepayments and accrued income                        | 4,753            | 2,924            |
|   | Amount due from subsidiary undertaking                | <u>60,000</u>    | <u>60,000</u>    |
|   |                                                       | <u>91,680</u>    | <u>83,658</u>    |
| 7 | <b>CREDITORS: Amounts falling due within one year</b> | <b>2003</b><br>£ | <b>2002</b><br>£ |
|   | Current corporation tax                               | 46,990           | 99,395           |
|   | Other taxation and social security costs              | 2,020            | 9,982            |
|   | Other creditors                                       | 117,928          | 149,451          |
|   | Proposed dividends                                    | <u>112,500</u>   | <u>112,500</u>   |
|   |                                                       | <u>279,438</u>   | <u>371,328</u>   |
| 8 | <b>CALLED UP SHARE CAPITAL</b>                        | <b>2003</b><br>£ | <b>2002</b><br>£ |
|   | <b>Authorised</b>                                     |                  |                  |
|   | 1,000 shares of £1 each                               | <u>1,000</u>     | <u>1,000</u>     |
|   | <b>Allotted, called up and fully paid</b>             |                  |                  |
|   | 900 shares of £1 each                                 | <u>900</u>       | <u>900</u>       |

**TARIAN INVESTMENT COMPANY LIMITED****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2003 (continued)**

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| <b>9</b> | <b>RESERVES</b>                                   | <b>Revaluation<br/>reserve<br/>£</b> | <b>Capital<br/>reserve<br/>£</b> | <b>Profit and<br/>loss account<br/>£</b> |
|----------|---------------------------------------------------|--------------------------------------|----------------------------------|------------------------------------------|
|          | At 1st April 2002                                 | 1,531,594                            | 1,515,985                        | 652,414                                  |
|          | Retained profit for the year                      | -                                    | -                                | 80,453                                   |
|          | Transferred in connection with property disposals | ( 9,994)                             | 8,522                            | 1,472                                    |
|          | At 31st March 2003                                | <u>1,521,600</u>                     | <u>1,524,507</u>                 | <u>734,339</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 £13,514 (2002: £12,366) for property management services during the year ended 31st March 2003 and £29,758 (2002: £Nil) for administrative management fees. Rent receivable includes £2,000 (2002: £2,000) from H C Jones & Co (Surrey) Limited.