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Company Registration No. 2515386 (England and Wales)

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C.V.R.A. LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 25 DECEMBER 1997



# C.V.R.A. LIMITED

## COMPANY INFORMATION

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### Directors

Dr A Hacker  
S.D. Blackman  
Dr T Jenkins  
N Bakova  
M. O' Loingsigh  
R Townsend  
S.P. Harmer  
G. Monksfield

### Secretary

Dr T Jenkins

### Company number

2515386

### Registered office

Acre House  
11-15 William Road  
London  
NW1 3ER

### Auditors

H. W. Fisher & Company  
Acre House  
11-15 William Road  
London  
NW1 3ER

### Bankers

Save and Prosper  
Client Administration Centre  
16-22 Western Road  
Romford  
RM1 3SP

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C.V.R.A. LIMITED

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# C.V.R.A. LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 25 DECEMBER 1997

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The directors present their report and accounts for the year ended 25 December 1997.

### Principal activities

The principal activity of the company continues to be that of a property investment company.

### Review of business

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

### Results and dividends

The profit for the year after taxation amounted to £9,470.

### Directors and their interests

The directors at 25 December 1997 and their beneficial interests in the shares of the company were:

	Ordinary shares of £1 each	
	25 December 1997	26 December 1996
S.D. Blackman	1	1
Dr T Jenkins	1	1
N Bakova	1	1
Dr A Hacker	1	1
M. O' Loingsigh	1	1
R Townsend	1	1
S.P. Harmer	1	1
G. Monksfield	1	1

R.Townsend, N. Bakova and A. Hacker were appointed directors on 17 February 1997 and Dr Tracy Jenkins was appointed a director on 1 September 1997.

D. Rendall and D.R.E. Cornwell resigned as directors on 24 April 1998 and 26 May 1998 respectively.

Additionally, M O' Loingsigh was appointed on 17 November 1997.

### Auditors

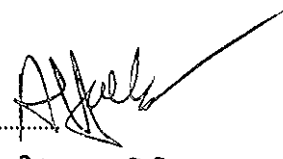
A resolution proposing the reappointment of H. W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board

Dr A Hacker

Director

Dated: .....

  
20/10/98

## C.V.R.A. LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

# C.V.R.A. LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

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We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 25 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
H. W. Fisher & Company

Chartered Accountants  
Registered Auditor  
Acre House  
11-15 William Road  
London  
NW1 3ER

Dated: 21 October 1998

## C.V.R.A. LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 25 DECEMBER 1997

	Notes	1997 £	1996 £
Turnover	2	30,832	38,202
Administrative expenses		(19,920)	(26,570)
Operating profit	3	10,912	11,632
Other income	5	1,198	1,913
Profit on ordinary activities before taxation		12,110	13,545
Tax on profit on ordinary activities	6	(2,640)	(3,399)
Profit on ordinary activities after taxation		9,470	10,146
Retained profit brought forward		50,346	40,200
Retained profit carried forward		59,816	50,346

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

## C.V.R.A. LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES *FOR THE YEAR ENDED 25 DECEMBER 1997*

	1997	1996
	£	£
Profit for the financial year	9,470	10,146
Unrealised deficit on revaluation of properties	<u>(10,000)</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>(530)</u>	<u>10,146</u>

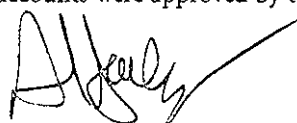


# C.V.R.A. LIMITED

## BALANCE SHEET AS AT 25 DECEMBER 1997

	Notes	1997 £	£	1996 £	£
<b>Fixed assets</b>					
Investments	7		96,000		106,000
<b>Current assets</b>					
Debtors	8	3,752		1,964	
Cash at bank and in hand		16,791		22,775	
		<u>20,543</u>		<u>24,739</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(15,244)</u>		<u>(28,910)</u>	
<b>Net current assets/(liabilities)</b>			<u>5,299</u>		<u>(4,171)</u>
<b>Total assets less current liabilities</b>			<u><u>101,299</u></u>		<u><u>101,829</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		46		46
Revaluation reserve	11		41,437		51,437
Profit and loss account			59,816		50,346
<b>Shareholders' funds - all equity interests</b>	12		<u><u>101,299</u></u>		<u><u>101,829</u></u>

The accounts were approved by the Board on 20.10.98



Dr A Hacker  
Director

# C.V.R.A. LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 25 DECEMBER 1997

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention as modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Turnover

Turnover represents the invoiced value of services provided.

#### 1.3 Investments

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. As the properties are held for their investment potential, the directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be identified or quantified.

#### 1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Turnover

Turnover represents rent receivable and rechargeable expenses.

### 3 Operating profit

	1997	1996
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	800	800

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# C.V.R.A. LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 25 DECEMBER 1997

### 4 Employees

#### Number of employees

The average monthly number of employees during the year was:

	1997 Number	1996 Number
Management	9	5
Administration	2	2
	<u>11</u>	<u>7</u>

#### Employment costs

	£	£
Wages and salaries	15,196	21,815
Social security costs	1,473	2,092
	<u>16,669</u>	<u>23,907</u>

### 5 Other income

	1997 £	1996 £
Profit on disposal of car park space	-	1,400
Interest receivable and similar income	1,198	513
	<u>1,198</u>	<u>1,913</u>

### 6 Tax on profit on ordinary activities

	1997 £	1996 £
U.K. Current year taxation		
U.K. Corporation tax at 22% (1996 - 24%)	2,640	3,491
Prior years		
U.K. Corporation tax	-	(92)
	<u>2,640</u>	<u>3,399</u>

# C.V.R.A. LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 25 DECEMBER 1997

### 7 Fixed asset investments

	Freehold Investment Property £
Cost or valuation	
At 26 December 1996	106,000
Revaluation	(10,000)
	<hr/>
At 25 December 1997	<u>96,000</u>

The freehold investment property was revalued on an open market basis on 25th December 1993 by the directors. If stated under historic cost principals, the comparable amount for the property would be £55,516.

8 Debtors	1997 £	1996 £
Trade debtors	1,173	1,054
Other debtors	-	409
Prepayments and accrued income	2,579	501
	<hr/>	<hr/>
	<u>3,752</u>	<u>1,964</u>

9 Creditors: amounts falling due within one year	1997 £	1996 £
Preferred debentures	7,965	21,516
Corporation tax	2,640	3,544
Other creditors	791	751
Accruals and deferred income	3,848	3,099
	<hr/>	<hr/>
	<u>15,244</u>	<u>28,910</u>

# C.V.R.A. LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 25 DECEMBER 1997

10 Share capital	1997	1996
	£	£
<b>Authorised</b>		
109 Ordinary shares of £1 each	109	109
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
46 Ordinary shares of £1 each	46	46
	<u>          </u>	<u>          </u>

### 11 Statement of movements on reserves

	Revaluation reserve £
Balance at 26 December 1996	51,437
Revaluation during the year	(10,000)
	<u>          </u>
Balance at 25 December 1997	41,437
	<u>          </u>

The revaluation reserve relates to a surplus on the revaluation of the freehold investment property.

No deferred tax has been provided in respect of this reserve as the directors have no intention of selling the property in the foreseeable future. However, in the event of a disposal, it is estimated that a tax liability of approximately £10,000 would arise.

12 Reconciliation of movements in shareholders' funds	1997	1996
	£	£
Profit for the financial year	9,470	10,146
Other recognised gains and losses	(10,000)	-
	<u>          </u>	<u>          </u>
Net (depletion in)/addition to shareholders' funds	(530)	10,146
Opening shareholders' funds	101,829	91,683
	<u>          </u>	<u>          </u>
Closing shareholders' funds	101,299	101,829
	<u>          </u>	<u>          </u>