



RAVEN PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2003



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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RAVEN PROPERTY INVESTMENTS LIMITED

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RAVEN PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2003

The directors present their report and financial statements for the year ended 30 April 2003.

Change of name

On 4 February 2003 the company's name was changed from Raven Residential Investments Limited to Raven Property Investments Limited.

Principal activities and review of the business

The principal activity of the company during the year was that of property and share investment.

Results and dividends

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

An interim ordinary dividend was paid amounting to £450,000 (2002 - £250,000). The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 May 2002:

Raven Close Nominees Limited
Raven Management Services Limited

Directors' interests

Neither of the directors had any interest in the shares of the company during the year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

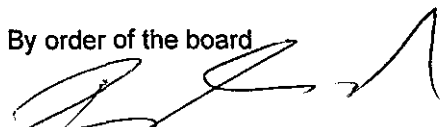
Directors' responsibilities

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.

By order of the board



For and on behalf of Raven Close Nominees Limited

B.S. Sandhu

Director

6 November 2003

RAVEN PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RAVEN PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Raven Property Investments Limited on pages 3 to 8 for the year ended 30 April 2003. 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 1 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 30 April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Gerald Edelman

6 November 2003

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

RAVEN PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2003

	Notes	2003 £	2002 £
Administrative expenses		5,130	-
Other operating income		-	4,068
Operating profit		5,130	4,068
Investment income		450,000	-
Other interest receivable and similar income		69,936	93,451
Interest payable and similar charges	2	(4,325)	-
Profit on ordinary activities before taxation		520,741	97,519
Tax on profit on ordinary activities	3	(24,804)	(29,256)
Profit on ordinary activities after taxation		495,937	68,263
Dividends	4	(450,000)	(250,000)
Retained profit/(loss) for the year	9	45,937	(181,737)

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

There are no recognised gains and losses other than those passing through the profit and loss account.

RAVEN PROPERTY INVESTMENTS LIMITED

BALANCE SHEET AS AT 30 APRIL 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Investments	5		491		491
Current assets					
Debtors	6	272,433		753,986	
Cash at bank and in hand		236		260	
		<u>272,669</u>		<u>754,246</u>	
Creditors: amounts falling due within one year	7	<u>(207,175)</u>		<u>(734,689)</u>	
Net current assets			65,494		19,557
Total assets less current liabilities			<u>65,985</u>		<u>20,048</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		65,885		19,948
Shareholders' funds - equity interests	10		<u>65,985</u>		<u>20,048</u>

The financial statements were approved by the Board on 6 November 2003

For and on behalf of Raven Close Nominees Limited

B.S. Sandhu

Director

RAVEN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

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 Investments

Unlisted investments are included in the financial statements at cost less provision for any permanent diminution in value.

2 Interest payable

2003	2002
£	£

On other loans wholly repayable within 5 years

4,325	-
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3 Taxation

2003	2002
£	£

Domestic current year tax

U.K. corporation tax

2,850	29,256
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Adjustment for prior years

5,232	-
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Payment in respect of group relief

16,722	-
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Current tax charge

24,804	29,256
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Factors affecting the tax charge for the year

Profit on ordinary activities before taxation

520,741	97,519
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Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002 : 30.00%)

156,222	29,256
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Effects of:

Adjustments to previous periods

5,232	-
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Intra group income

(135,000)	-
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Group relief

(18,372)	-
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Group relief subvention payment

16,722	-
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(131,418)	-
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Current tax charge

24,804	29,256
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RAVEN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2003

4	Dividends	2003 £	2002 £
	Ordinary interim paid	450,000	250,000

5 Fixed asset investments

Cost	Shares in participating interests £
At 1 May 2002 & at 30 April 2003	491

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Raven Hercules Limited	England and Wales	Ordinary	50
Raven Tower Limited	England and Wales	Ordinary	50

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Raven Hercules Limited	(16,019)	15
Raven Tower Limited	150,392	(5,464)

6	Debtors	2003 £	2002 £
	Amounts owed by parent and fellow subsidiary undertakings	265,854	-
	Amounts owed by participating interests	-	732,960
	Corporation tax	6,579	-
	Other debtors	-	21,026
		272,433	753,986

RAVEN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2003

7	Creditors: amounts falling due within one year	2003	2002
		£	£
	Amounts owed to parent and fellow subsidiary undertakings	-	694,339
	Amounts owed to participating interests	200,000	-
	Corporation tax	2,850	29,256
	Other taxes and social security costs	-	5,925
	Accruals and deferred income	4,325	5,169
		<u>207,175</u>	<u>734,689</u>
8	Share capital	2003	2002
		£	£
	Authorised		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 May 2002		19,948
	Retained profit for the year		<u>45,937</u>
	Balance at 30 April 2003		<u>65,885</u>
10	Reconciliation of movements in shareholders' funds	2003	2002
		£	£
	Profit for the financial year	495,937	68,263
	Dividends	(450,000)	(250,000)
	Net addition to/(depletion in) shareholders' funds	<u>45,937</u>	<u>(181,737)</u>
	Opening shareholders' funds	20,048	201,785
	Closing shareholders' funds	<u>65,985</u>	<u>20,048</u>

RAVEN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2003

11 Employees

Number of employees

There were no employees during the year apart from the directors.

12 Control

The ultimate holding company is The Raven Property Group Plc.

Throughout the year the company and its holding company were controlled by Mr A.J.G. Bilton.

13 Related party transactions

Included in creditors is a balance of £200,000 (2002 - £732,960 debtor) due to Raven Tower Limited, in which the company has a participating interest.

Included in the profit and loss account is interest receivable from Raven Tower Limited of £69,936 (2002 - £93,451).

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.