

2707097 (England and Wales)

**TOWER OVERSEAS LIMITED**  
**Directors' Report and Financial Statements**  
**for the year ended 31 December 2003**

**Heywards**  
**Chartered Accountants**  
**Remo House**  
**310-312 Regent Street**  
**London W1B 3BS**



## **TOWER OVERSEAS LIMITED**

### **Company Information**

<b>Directors</b>	J. Hirschbaeck C Ebersberg
<b>Secretary</b>	Fiduserv Limited
<b>Company Number</b>	2707097 (England and Wales)
<b>Registered Office</b>	Suite 6 Blandel Bridge House 56 Sloane Square London SW1W 8AX
<b>Auditors</b>	Heywards Remo House 310-312 Regent Street London W1B 3BS
<b>Bankers</b>	Barclays Bank PLC Bedford Square P O Box 15161 London SW14 1QA

## TOWER OVERSEAS LIMITED

### Contents

	Page
Directors' Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5 – 8

## **TOWER OVERSEAS LIMITED**

### **Directors' Report**

**for the year ended 31 December 2003**

The Directors present their report and the audited financial statements for the year ended 31 December 2003.

#### **Trading Results**

	2003	2002
	£	£
Loss for the year after tax	<u>£4,497</u>	<u>£4,718</u>

#### **Principal Activities**

The principal activity of the company is that of an investment company.

The principal activity of the company's subsidiary is the production of ceramics.

#### **Directors and their Interests**

The directors who served during the year were as follows:

J. Hirschbaeck  
C Ebersberg

None of the directors had any interest in the share capital of the company.

#### **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 these 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.

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Heywards be re-appointed as auditors of the company will be put to the Annual General Meeting.

In the preparation of the directors' report advantage has been taken of the special provisions applicable to small companies conferred by part VII of the Companies Act 1985.

This report was approved by the Board on 6 May 2005.

  
**J. HIRSCHBAECK**  
Director

## **TOWER OVERSEAS LIMITED**

### **Independent Auditors' Report to the shareholders of Tower Overseas Limited**

We have audited the financial statements of Tower Overseas Limited on pages 3 to 8 for the year ended 31 December 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 the 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'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 the 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 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Heywards

Chartered Accountants  
Registered Auditor

6 May 2005

Remo House  
310-312 Regent Street  
London W1B 3BS

# **TOWER OVERSEAS LIMITED**

## **Profit and Loss Account**

**For the year ended 31 December 2003**

	Notes	2003 £	2002 £
Turnover		-	-
Administrative Expenses		(5,522)	(5,455)
Operating Loss	2	(5,522)	(5,455)
Interest receivable and similar income	4	1,070	844
Interest payable and similar charges	5	(45)	(107)
Loss on ordinary activities before taxation		(4,497)	(4,718)
Tax on loss on ordinary activities	6	-	-
Loss for the year	11	£(4,497)	£(4,718)

### **TOTAL RECOGNISED GAINS AND LOSSES**

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

### **CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

# TOWER OVERSEAS LIMITED

## Balance Sheet

As at 31 December 2003

	Notes	2003	2002
		£	£
<b>FIXED ASSETS</b>			
Investments	7	1,661,475	1,661,475
<b>CURRENT ASSETS</b>			
Cash at Bank and in hand		13,989	12,963
Other Debtor		7,506	7,506
		<u>21,495</u>	<u>20,469</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	(2,712)	(925)
<b>NET CURRENT ASSETS</b>		18,783	19,544
		<u>1,680,258</u>	<u>1,681,019</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	(1,864,070)	(1,860,334)
<b>TOTAL NET LIABILITIES</b>		<u>£(183,812)</u>	<u>£(179,315)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	10,000	10,000
Profit and Loss Account	11	(193,812)	(189,315)
Shareholders Funds	12	<u>£(183,812)</u>	<u>£(179,315)</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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 6 May 2005.

The notes on pages 5 to 8 form part of these financial statements.

  
J. HIRSCHBAECK  
Director

# **TOWER OVERSEAS LIMITED**

## **Notes to the Financial Statements**

**For the year ended 31 December 2003**

### **1 ACCOUNTING POLICIES**

#### **a Accounting Convention**

The financial statements are prepared in accordance with the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### **b Cashflow**

The financial statements do not include a cash flow statement because the company as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

#### **c Foreign Currencies**

The company's accounts are maintained in Pounds Sterling.

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

#### **d Deferred Tax**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

#### **e Going Concern**

The financial statements have been prepared on a going concern basis. This is considered appropriate as the shareholders will continue to provide financial support to the company for the foreseeable future.

#### **f Group Accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as the activities of the company and its subsidiary are so different that inclusion would be incompatible with a true and fair view.



# **TOWER OVERSEAS LIMITED**

## **Notes to the Financial Statements**

**For the year ended 31 December 2003**

### **2 OPERATING LOSS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditors' remuneration	965	960
Directors fees	1,469	881
	<u>          </u>	<u>          </u>

### **3 DIRECTORS AND EMPLOYEES**

Directors Fees	1,469	881
	<u>          </u>	<u>          </u>

The directors were the company's only employees during the year.

### **4 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank Interest received	20	44
Profit on foreign exchange	1,050	800
	<u>£1,070</u>	<u>£844</u>

### **5 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank Charges	45	107
	<u>£45</u>	<u>£107</u>

### **6 TAXATION**

In view of the losses incurred by the company, no provision has been made for taxation.

# **TOWER OVERSEAS LIMITED**

## **Notes to the Financial Statements**

**For the year ended 31 December 2003**

### **7 INVESTMENTS**

#### **Shares in group undertakings and participating interests**

##### **Cost**

	£
At 1 January 2003 and 31 December 2003	£1,661,475

In the opinion of the directors the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

##### **Holdings of more than 10%**

The company holds more than 10% of the share capital of the following company:

Company Subsidiary undertaking	Country of registration or incorporation	Shares Held	
		Class	%
Gardenia Finanziaria SPA	Italy	Ordinary	64.17

The results of the group accounts of Gardenia Finanziaria SPA for the year to 31 December 2003 was as follows:

Capital and reserves	£22,881,948
Loss for the year	£1,816,215

### **8 CREDITORS: Amounts falling due within one year**

	2003	2002
	£	£
Other creditors and accruals	£2,712	£925

### **9 CREDITORS: Amounts falling due after more than one year**

	2003	2002
	£	£
Shareholders loan	£1,864,070	£1,860,334

The shareholders loan is unsecured, interest free and has no fixed repayment date.

# **TOWER OVERSEAS LIMITED**

## **Notes to the Financial Statements**

**For the year ended 31 December 2003**

### **10 SHARE CAPITAL**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Authorised		
200,000 Ordinary shares of £1 each	£200,000	£200,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	£10,000	£10,000
	<hr/>	<hr/>

### **11 PROFIT AND LOSS ACCOUNT**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Accumulated losses at 1 January 2003	(189,315)	(184,597)
Loss for the year	(4,497)	(4,718)
	<hr/>	<hr/>
Accumulated losses at 31 December 2003	£(193,812)	£(189,315)
	<hr/>	<hr/>

### **12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(4,497)	(4,718)
Opening shareholders funds	(179,315)	(174,597)
	<hr/>	<hr/>
Closing shareholders funds	£(183,812)	£(179,315)
	<hr/>	<hr/>

### **13 ULTIMATE HOLDING COMPANY**

The Directors regard the ultimate holding company as Eight Stars Establishment, a company registered in Liechtenstein.