

Company Registration No. 2948448

**NOVAR FINANCE LIMITED**

**Report and Financial Statements**

**15 December 2002**

**Deloitte & Touche  
London**



# **NOVAR FINANCE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2002**

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# **NOVAR FINANCE LIMITED**

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 15 December 2002.

### **PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE PROSPECTS**

The principal activity of the company is to lend funds to other Novar Group subsidiary undertakings and the Directors do not anticipate any change in the Company's activities in the foreseeable future. The company did not trade during the year.

### **RESULTS AND DIVIDENDS**

The retained loss for the year amounted to £3,416,473 (2001 – loss £3,423,527). The Directors recommend a dividend of £380,000 per preference share (2001 - £380,000 per preference share).

### **DIRECTORS AND DIRECTORS' INTERESTS**

The composition of the Board of Directors throughout the year, and to the date of this report, was as follows:

Novar Nominees Limited  
Rallip Holdings Limited

The Directors as at 15 December 2002 had no beneficial interest in the shares or debentures of the Company, the Company's ultimate parent company or a subsidiary of the Company's ultimate parent company at any time during the year.

### **AUDITORS**

In accordance with Section 386 of the Companies Act 1985, the Company has passed an elective resolution to dispense with the obligation to appoint auditors annually.

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989.

By Order of the Board



Novar Secretarial Services Limited  
Secretary

30 September 2003

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOVAR FINANCE LIMITED**

We have audited the financial statements of Novar Finance Limited for the year ended 15 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under 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 auditors' 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 in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **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 15 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*  
Chartered Accountants and Registered Auditors  
London

2 October 2003

# NOVAR FINANCE LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 15 December 2002

	Note	2002 £	2001 £
<b>OPERATING RESULT AND RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Tax on result on ordinary activities	3	<u>3,527</u>	<u>(3,527)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		3,527	(3,527)
Dividends paid and proposed – including appropriation to Other reserves	4,9	<u>(3,420,000)</u>	<u>(3,420,000)</u>
<b>RETAINED LOSS FOR THE YEAR</b>	10	<u><u>(3,416,473)</u></u>	<u><u>(3,423,527)</u></u>

The Company has no recognised gains or losses other than those passing through the profit and loss account. Accordingly, a statement of total recognised gains and losses has not been prepared.

All of the Company's activities are continuing activities.

# NOVAR FINANCE LIMITED

## BALANCE SHEET 15 December 2002

	Note	2002 £	2001 £
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due after more than one year)	5	90,000,081	90,000,081
Cash at bank and in hand		560	560
<b>CREDITORS: amounts falling due within one year</b>	6	<u>-</u>	<u>(3,527)</u>
<b>NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES</b>		90,000,641	89,997,114
<b>CREDITORS: amounts falling due after more than one year</b>	7	<u>(560)</u>	<u>(560)</u>
<b>NET ASSETS</b>		<u>90,000,081</u>	<u>89,996,554</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	90,000,081	90,000,081
Profit and loss account	9	(9,388,596)	(5,972,123)
Other reserves	9	<u>9,388,596</u>	<u>5,968,596</u>
<b>SHAREHOLDERS' FUNDS</b>	10	<u>90,000,081</u>	<u>89,996,554</u>
Attributable to equity shareholders		(9,388,515)	(5,972,042)
Attributable to non-equity shareholders		<u>99,388,596</u>	<u>95,968,596</u>

These financial statements were approved by the Board of Directors on 30 September 2003.

Signed on behalf of the Board of Directors



Novar Nominees Limited

Director

**NOTES TO THE ACCOUNTS**

**Year ended 15 December 2002**

**1. PRINCIPAL ACCOUNTING POLICY**

The following accounting policy has been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

**2. DIRECTORS' EMOLUMENTS, EMPLOYEES AND AUDITORS' REMUNERATION**

All directors are remunerated in full by other Novar Group companies. No emoluments have been paid to directors during the year by the Company for services to the Company (2001: £nil). The company had no employees (2001: nil) and the auditors' remuneration was borne by the parent company in the current year and preceeding year.

**3. TAX ON RESULT ON ORDINARY ACTIVITIES**

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001: 30%)	-	-
(Over)/Under provision in prior years	(3,527)	3,527
	<u>(3,527)</u>	<u>3,527</u>

**4. DIVIDENDS PAID AND PROPOSED – INCLUDING APPROPRIATION TO OTHER RESERVES**

	2002 £	2001 £
3.8% cumulative preference dividend on non-equity shares	3,420,000	3,420,000
	<u>3,420,000</u>	<u>3,420,000</u>

**5. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2002 £	2001 £
Amounts owed by fellow subsidiary undertakings	81	81
Amounts owed by ultimate parent undertaking	90,000,000	90,000,000
	<u>90,000,081</u>	<u>90,000,081</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002 £	2001 £
Corporation tax	-	3,527
	<u>-</u>	<u>3,527</u>



# NOVAR FINANCE LIMITED

## NOTES TO THE ACCOUNTS Year ended 15 December 2002

### 7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Amounts owed to ultimate parent undertaking	560	560

### 8. CALLED UP SHARE CAPITAL

	2002 £	2001 £
<b>Authorised:</b>		
25,000,100 ordinary shares of £1 each	25,000,100	25,000,100
10 preference shares of £10,000,000 each	100,000,000	100,000,000
<b>Allotted, called up and fully paid:</b>		
81 ordinary shares of £1 each	81	81
<b>Non equity shares</b>		
9 cumulative preference shares of £10,000,000 each	90,000,000	90,000,000
	90,000,081	90,000,081

### 9. RESERVES

	Profit and loss account £	Other reserves £
Balance at 16 December 2001	(5,972,123)	5,968,596
Profit for the year before appropriation to Other reserves	3,527	-
Transfer from profit and loss account	(3,420,000)	3,420,000
Balance at 15 December 2002	(9,388,596)	9,388,596

# NOVAR FINANCE LIMITED

## NOTES TO THE ACCOUNTS

Year ended 15 December 2002

### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Retained loss for the financial year	(3,416,473)	(3,423,527)
Appropriation to other reserves	3,420,000	3,420,000
Net addition to/(reduction in) shareholders' funds	3,527	(3,527)
Opening shareholders' funds	89,996,554	90,000,081
Closing shareholders' funds	90,000,081	89,996,554
Equity	(9,388,515)	(5,972,042)
Non-equity preference shares	99,388,596	95,968,596

### 11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY AND RELATED PARTY TRANSACTIONS

The ultimate parent undertaking and controlling party is Novar plc, a company incorporated in Great Britain and registered in England and Wales. The Novar Group is the largest group of which the Company is a member and the largest and smallest for which group accounts are prepared. Copies of these group financial statements can be obtained from The Secretary, Novar plc, Novar House, 24 Queens Road, Weybridge, Surrey, KT13 9UX.

The Company has taken advantage of the exemption provided by FRS8 not to disclose transactions with other Novar Group Companies that qualify as related parties.