

JARVIS COMMERCIAL PROPERTIES LIMITED  
-----  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
-----  
FOR THE YEAR ENDED 30TH APRIL 2004  
-----

DIRECTORS Lord Parkinson - Chairman  
C. J. G. Lewis  
D. A. Jump  
S. J. Foster  
M. G. Peters

SECRETARY S. J. Foster

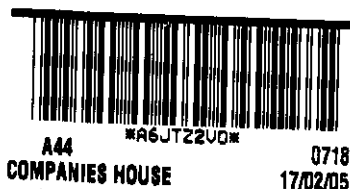
REGISTERED OFFICE Jarvis House,  
212, Station Road,  
Harpenden,  
Herts., AL5 4EH.

COMPANY NUMBER 4103174 (England and Wales)

AUDITOR Saffery Champness  
Chartered Accountants and Registered Auditors,  
Lion House,  
Red Lion Street,  
London,  
WC1R 4GB.

CONTENTS

Pages	1 - 2	Directors' report
	3	Auditors' report
	4 - 5	Profit and loss account
	6 - 7	Balance sheets
	8 - 15	Notes to the financial statements



-----  
DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 2004  
-----

The directors present their report and the group financial statements of Jarvis Commercial Properties Limited for the period ended 30th April 2004.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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, subject to any material departures disclosed and explained in the financial statements; and
- 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

Jarvis Commercial Properties Limited is a holding company. The principal activity of the group in the year under review continue to be those of property investment.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

A summary of the results for the period's trading is given on page 4 of the accounts.

LAND AND BUILDINGS

Details are given in note 7 of the accounts.

DIVIDENDS

The directors recommend a dividend of 20p (2003 -15p) per share

## REPORT OF THE DIRECTORS

(continued)

## CREDITOR PAYMENT POLICY

All creditors are paid on net monthly account or sooner.

## DIRECTORS

The directors who served during the year and their beneficial interests in the issued share capital were as follows:

	30th April 2004 Shares	30th April 2003 Shares
Lord Parkinson	102,100	102,100
D.A. Jump	42,650	42,650
S.J. Foster	10,000	10,000
C.J.G. Lewis	12,000	12,000
M.G.Peters	34,000	34,000

Mr.C.J.G.Lewis held 59,900 ordinary shares as a trustee on 30th April 2004 and 30th April 2003

## POLITICAL AND CHARITABLE CONTRIBUTIONS

Political contributions of fnil were made during the year.

## EMPLOYEES

It is the group's policy to employ, train, re-train and develop disabled persons according to their capabilities and suitability.

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect the progress of the group and are of interest and concern to them as employees.

## AUDITORS

The auditors, Saffery Champness, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the  
board of directors

S. J. Foster.



Secretary

25th October 2004

JARVIS COMMERCIAL PROPERTIES LIMITED

Page 3

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 4 to 15. The financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF 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.

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

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 or material inconsistencies with the financial statements.

We conducted our audit in accordance with United Kingdom Auditing Standards

BASIS OF OPINION

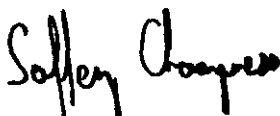
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 affairs of the company and the group as at 30th April 2004 and the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

SAFFERY CHAMPNESS



Chartered Accountants and Registered Auditors,  
Lion House,  
Red Lion Street,  
London,  
WC1R 4GB.

25th October 2004

JARVIS COMMERCIAL PROPERTIES LIMITED

Page 4

AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2004

	Notes	2004 £	2003 £
TURNOVER		488,313	456,294
Cost of sales		0	0
GROSS PROFIT		488,313	456,294
Administrative expenses		92,892	53,666
OPERATING PROFIT	2	395,421	402,628
PROFIT ON SALE OF PROPERTY		122,222	0
		517,643	402,628
INTEREST PAYABLE	4	36,626	39,083
PROFIT on ordinary activities before taxation and exceptional items		481,017	363,545
TAXATION CHARGE on profit on ordinary activities	5	132,729	130,956
Provision for deferred taxation		(10,000)	102,000
PROFIT on ordinary activities after taxation		358,288	130,589
Dividends on equity shares	6	121,130	90,848
RETAINED PROFIT for the period		237,158	39,741

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

The notes on pages 8 to 15 form part of these financial statements.

JARVIS COMMERCIAL PROPERTIES LIMITED

Page 5

AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2004

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2004 £	2003 £
Profit for financial period	358,288	130,589
Realised surplus on revaluation of property	0	0
Total gains recognised since last annual report	358,288	130,589

NOTE OF HISTORICAL COST PROFIT AND LOSSES

	2004 £	2003 £
Reported profit on ordinary activities before taxation	481,017	363,545
Realisation of property revaluation gains of previous years	0	0
	481,017	363,545
Historical cost profit for year after taxation and dividends	237,158	39,741

## JARVIS COMMERCIAL PROPERTIES LIMITED

Page 6

## CONSOLIDATED BALANCE SHEET

AS AT 30TH APRIL 2004

	Notes	£	2004 £	£	2003 £
FIXED ASSETS					
Investment properties	7		6,853,927		5,249,623
Investments	8		0		0
			-----		-----
			6,853,927		5,249,623
CURRENT ASSETS					
Stocks	9	0		98,661	
Debtors	10	616,765		176,363	
Cash at bank and in hand		3,614		114,717	
		-----		-----	
		620,379		389,741	
CREDITORS : amounts falling due within one year	11	1,263,677		895,893	
		-----		-----	
NET CURRENT LIABILITIES			(643,298)		(506,152)
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			6,210,629		4,743,471
CREDITORS : amounts falling due after more than one year					
Bank loans	12		1,867,000		627,000
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	13		236,000		246,000
NET ASSETS			-----		-----
			4,107,629		3,870,471
CAPITAL AND RESERVES			=====		=====
Called up share capital	14		605,650		605,650
Revaluation reserve	15		1,174,067		1,174,067
Share premium account	15		1,808,886		1,808,886
Profit and loss account			519,026		281,868
			-----		-----
Shareholders funds	16		4,107,629		3,870,471
			=====		=====
REPRESENTED BY					
Equity interests			4,107,629		3,870,471
Non equity interests			0		0
			-----		-----
			4,107,629		3,870,471
			=====		=====

Signed on behalf of the  
board of directorsD. A. Jump  
Director

Approved by the board

25th October 2004

The notes on pages 8 to 15 form part of these financial statements.

## JARVIS COMMERCIAL PROPERTIES LIMITED

Page 7

## BALANCE SHEET AS AT 30TH APRIL 2004

	Notes	£	2004 £	£	2003 £
FIXED ASSETS					
Investment properties			4,071,927		2,467,623
Investments	8		1,250,000		1,250,000
			-----		-----
			5,321,927		3,717,623
CURRENT ASSETS					
Debtors	10	875,589		54,957	
Stocks	9	0		98,661	
Cash at bank and in hand		3,392		105,431	
		-----		-----	
		878,981		259,049	
CREDITORS : amounts falling due within one year	11	1,058,875		308,991	
		-----		-----	
NET CURRENT ASSETS					
			(179,894)		(49,942)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			-----		-----
			5,142,033		3,667,681
CREDITORS : amounts falling due after more than one year					
Bank loans	12	1,400,000		0	
		-----		-----	
			1,400,000		0
NET ASSETS					
			-----		-----
			3,742,033		3,667,681
CAPITAL AND RESERVES					
Called up share capital	14		605,650		605,650
Revaluation reserve	15		0		0
Capital reserve	15		3,058,284		3,058,284
Profit and loss account			78,099		3,747
			-----		-----
Shareholders funds	16		3,742,033		3,667,681
REPRESENTED BY					
Equity interests			3,742,033		3,667,681
Non equity interests			0		0
			-----		-----
			3,742,033		3,667,681
Signed on behalf of the board of directors					
			-----		-----

D. A. Jump  
Director

Approved by the board :

25th October 2004

The notes on pages 8 to 15 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

## 1. ACCOUNTING POLICIES

## (a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards, and include the results of the group's operations which are described in the Directors' Report and all of which are continuing.

## (b) Consolidation

The group accounts consolidate the accounts of Jarvis Commercial Properties Limited and each of its subsidiaries made up to 30th April each year. The results of any subsidiary acquired during a financial year are included from the date of acquisition.

## (c) Capital reserve

The net excess of the nominal value of share capital and pre-acquisition reserves over the cost of investments in subsidiary companies is credited to capital reserve.

## (d) Turnover

Turnover excludes inter-group sales, and arises wholly in the United Kingdom, and consists of the following:-

Property investment	value of rent received
---------------------	------------------------

## (e) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life :

Leasehold improvements	12.5% on cost
------------------------	---------------

No depreciation is provided on freehold land and buildings, where given projected life and residual value any such provision for depreciation would be insignificant and immaterial.

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, in accordance with Statement of Standard Accounting Practice No. 19. No depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

Freehold interests in long leasehold properties are valued at five times the annual ground rent received from the property.

JARVIS COMMERCIAL PROPERTIES LIMITED

Page 9

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

(f) Leased assets

Leased equipment, financed by leasing or hire purchase agreements that give rights approximating to ownership, are treated as if they had been purchased outright and the corresponding obligations treated as liabilities. The charge to profit and loss account is represented by depreciation, calculated in accordance with the group's policy, and interest. The total interest, being the difference between the total instalments payable and the invoiced cost, is charged to the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Operating lease charges are written off to profit and loss as incurred.

(g) Stocks

Stocks are valued at the lower of cost and net realisable value.

Development land and buildings are valued at the lower of cost and net realisable value. Cost includes the purchase cost of land and the cost of building works certified as being completed at the balance sheet date and attributable overheads and finance charges.

(h) Contract Work in Progress

Work in progress is valued by surveyors on the basis of cost with the addition of a proportionate part of profits earned and adjusted for potential losses less progress applications made. The excess is separately disclosed within debtors.

(i) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences under the full provision basis in accordance with FRS 19.

2. OPERATING PROFIT	2004	2003
This is stated after charging or crediting :	£	£
Auditors remuneration	6,500	8,595
Rental income	488,313	456,294
	=====	=====

3. DIRECTORS' REMUNERATION

No fees were paid in the year.

4. INTEREST PAYABLE	2004	2003
	£	£
Loans repayable within five years	36,632	0
Bank interest receivable	(6)	(8,887)
Loans repayable after more than five years	0	47,970
	-----	-----
Charged to project costs	36,626	39,083
	0	0
	-----	-----
	36,626	39,083
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

(continued)

## 5. TAXATION

Taxation on the group's profit on ordinary activities is detailed below:-

	2004	2003
	£	£
Adjustment to previous years - UK corporation tax	(2,071)	26,356
Current period	134,800	104,600
	-----	-----
	132,729	130,956
	=====	=====
Reconciliation of accounting profit to tax charge		
Factors affecting the tax charge for the year		
Profit on ordinary activities	481,017	363,545
	=====	=====
Profit on ordinary activities before taxation multiplied by the Standard rate of UK corporation tax of 30% (2003 30%)	144,305	109,064
Effects of :		
Capital allowances	(4,498)	(4,498)
Other adjustments	(5,007)	34
Adjustments to previous years	(2,071)	26,356
	-----	-----
	132,729	130,956
	=====	=====

## 6. DIVIDENDS

	2004	2003
	£	£
Proposed :		
Ordinary : 20p per share (2003- 15p per share)	121,130	90,848
	-----	-----
	121,130	90,848
	=====	=====

## 7. INVESTMENT PROPERTIES

	Group Freehold £	Company Freehold £
At 1st May 2003	5,249,623	2,467,623
Additions at cost	1,722,304	1,722,304
Disposals	(118,000)	(118,000)
	-----	-----
At 30th April 2004	6,853,927	4,071,927
	=====	=====

The comparable historical cost amounts of the land and buildings included above at valuation are:  
Historical cost

	£	£
At 1st May 2003	5,249,623	2,467,623
	=====	=====
At 30th April 2004	6,853,927	4,071,927
	=====	=====

JARVIS COMMERCIAL PROPERTIES LIMITED

Page 11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

(continued)

7. INVESTMENT PROPERTIES

Investment properties were valued on an open market value for existing use basis on 30th April 2004 by the directors. The accounting policy for investment properties set out in note 1 (e) represents a departure from the requirements of Schedule 4 of the Companies Act 1985 which, in the opinion of the directors, results in the accounts giving a true and fair view.

An analysis of the respective amounts of each valuation of land and buildings is as follows:-

	Company £	Group £
Historic cost	6,853,927	4,071,927
Valuation per accounts	6,853,927	4,071,927

8. INVESTMENTS

COMPANY AND GROUP	Company £	Group £
Cost		
Shares in subsidiary undertaking	1,250,000	0
Shares in associated undertaking	0	0
Disposals during the year	0	0
Purchases during the year	0	0
At 30th April 2003 and 2004	1,250,000	0

Details of group companies at 30th April 2004 are set out below.

All shareholdings comprise ordinary shares.

All subsidiaries are 100% owned except where stated, and are incorporated in Great Britain and registered in England and Wales.

Subsidiary companies	Activity
Jarvis Indcom Limited	Property investment
Boeberry Limited	Property investment

9. STOCKS

The stocks and work in progress of the company and group is stated below :

	2004 £	2003 £
Land and building costs	0	98,661
	0	98,661

JARVIS COMMERCIAL PROPERTIES LIMITED

Page 12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

(continued)

10. DEBTORS

	Group 2004 £	Group 2003 £	Company 2004 £	Company 2003 £
Trade debtors	15,463	131,403	16,678	39,791
Other debtors	12,943	0	11,602	0
Amounts owed by group undertakings	0	0	291,391	0
Due on legal completion	540,000	0	540,000	0
Rent deposits	48,359	44,960	15,918	15,166
	616,765	176,363	875,589	54,957

11. CREDITORS : AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	Group 2004 £	Group 2003 £	Company 2004 £	Company 2003 £
Trade creditors	0	0	0	0
Rent deposits	50,095	45,786	17,654	15,992
Amounts owed to group undertakings	0	0	517,053	31,068
VAT	0	25,481	0	25,481
Other creditors	424,680	254,165	16,692	31,750
Accruals	124,972	215,013	62,046	75,352
	599,747	540,445	613,445	179,643
Bank loans and overdrafts (note 12)	408,000	160,000	248,000	0
Taxation	134,800	104,600	76,300	38,500
Proposed dividend	121,130	90,848	121,130	90,848
	1,263,677	895,893	1,058,875	308,991

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

(continued)

## 12. BANK LOANS AND OVERDRAFTS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
(a) Falling due within one year				
Bank overdrafts	0	0	0	0
Bank loans	408,000	160,000	248,000	0
	408,000	160,000	248,000	0
(b) Falling due after more than one year				
Bank loans repayable between one and two years	1,568,000	160,000	1,400,000	0
Bank loans repayable between two and five years	299,000	467,000	0	0
Loans not repayable within five years	0	0	0	0
	1,867,000	627,000	1,400,000	0
Aggregate borrowings at 30th April	2,275,000	787,000	1,648,000	0

The bank loans for development purposes are for a flexible term to finance the purchase of land and the costs of development work. The loans are regularly reviewed and are repaid from the proceeds of developments. The loans and overdrafts are secured on the land and buildings concerned. The rates of interest applicable to the above loans are 3 month libor rate plus 1.5% and 1.5% above bank base rate.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

(continued)

## 13. DEFERRED TAXATION

The amounts provided for deferred taxation were as follows :

GROUP	2004	2003
	£	£
Accelerated capital allowances	221,000	219,000
Property valuation	15,000	27,000
	<u>236,000</u>	<u>246,000</u>

## COMPANY

The amount provided in respect of property valuations is £ nil.

## 14. SHARE CAPITAL

Authorised

2004 2003

992,000 ordinary shares of £1 each

992,000 992,000

992,000 992,000

Allotted, called up and fully paid

605,650 ordinary shares of £1 each

605,650 605,650

605,650 605,650

## 15. RESERVES

REVALUATION  
RESERVESHARE  
PREMIUMPROFIT&LOSS  
RESERVE

TOTAL

GROUP

As at 1st May 2003

1,174,067

1,808,886

281,868

3,264,821

Premium on issue of shares

0

0

0

0

Transfer of realised profit

0

0

0

0

Transfer from profit and loss account for the year

0

0

237,158

237,158

As at 30th April 2004

1,174,0671,808,886519,0263,501,979

COMPANY

As at 1st May 2003

0

3,058,284

3,747

3,062,031

Premium on issue of shares

0

0

0

0

Transfer of realised profit

0

0

0

0

Transfer from profit and loss account for the year

0

0

74,352

74,352

As at 30th April 2004

03,058,28478,0993,136,383

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2004

(continued)

## 16. MOVEMENT ON SHAREHOLDERS' FUNDS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Profit for the financial year	358,288	130,589	195,482	78,782
Issue of shares	0	0	0	0
Share premium	0	0	0	0
Deferred taxation	0	0	0	0
Less dividends	-121,130	-90,848	-121,130	-90,848
Revaluation Reserve	0	0	0	0
Other recognised gains and losses	0	0	0	0
	237,158	39,741	74,352	-12,066
Opening shareholders funds	3,870,471	3,830,730	3,667,681	3,679,747
Closing shareholders funds	4,107,629	3,870,471	3,742,033	3,667,681

## 17. CONTROLLING PARTY

In the opinion of the directors, the holding company has no controlling or ultimate controlling party.

## 18. RELATED PARTY TRANSACTIONS

Included in other creditors is an amount of £407,988 due to Jarvis Contracting Limited. D A Jump and S J Foster are directors of Jarvis Contracting Limited. This transaction was carried out on an arms length basis.