

JARVIS COMMERCIAL PROPERTIES LIMITED  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH APRIL 2007

DIRECTORS	Lord Parkinson - Chairman N J C Turnbull D A Jump S J Foster M G Peters
SECRETARY	S J Foster
REGISTERED OFFICE	No 1 Waterside Station Road, Harpenden, Herts , AL5 4US
COMPANY NUMBER	4103174 (England and Wales)
AUDITOR	Saffery Champness Chartered Accountants and Registered Auditors, Lion House, Red Lion Street, London, WC1R 4GB

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DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 2007

The directors present their report and the group financial statements of Jarvis Commercial Properties Limited for the period ended 30th April 2007

**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 continues to be those of property investment.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

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

**LAND AND BUILDINGS**

Details are given in note 7 of the accounts.

**DIVIDENDS**

A dividend of 25p (2006 -0p) per share was paid during the year.

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 2007 Shares	30th April 2006 Shares
Lord Parkinson	102,100	102,100
D A Jump	42,650	42,650
S J Foster	10,000	10,000
M G Peters	34,000	34,000
N J C Turnbull	0	0

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

Political contributions of £nil 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

19th September 2007

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

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

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for the preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether, in our opinion, the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 and 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the affairs of the company and the group as at 30th April 2007 and the profit of the group for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



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

14 September 2007

JARVIS COMMERCIAL PROPERTIES LIMITED

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AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2007

	Notes	2007 £	2006 £
TURNOVER		719,056	555,006
Cost of sales		0	0
GROSS PROFIT		719,056	555,006
Administrative expenses		97,585	93,831
OPERATING PROFIT	2	621,471	461,175
PROFIT ON SALE OF PROPERTY		145,000	103,041
		766,471	564,216
INTEREST PAYABLE	4	376,444	123,573
PROFIT on ordinary activities before taxation and exceptional items		390,027	440,643
TAXATION CHARGE on profit on ordinary activities	5	153	112,519
Provision for deferred taxation		5,000	8,000
PROFIT on ordinary activities after taxation		384,874	320,124
Dividends on equity shares	6	151,413	0
RETAINED PROFIT for the period		233,461	320,124

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

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AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2007

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2007 £	2006 £
Profit for financial period	384,874	320,124
Realised surplus on revaluation of property	0	0
Total gains recognised since last annual report	<u>384,874</u> =====	<u>320,124</u> =====

NOTE OF HISTORICAL COST PROFIT AND LOSSES

	2007 £	2006 £
Reported profit on ordinary activities before taxation	390,027	440,643
Realisation of property revaluation gains of previous years	0	0
	<u>390,027</u> =====	<u>440,643</u> =====
Historical cost profit for year after taxation and dividends	<u>233,461</u> =====	<u>320,124</u> =====

CONSOLIDATED BALANCE SHEETAS AT 30TH APRIL 2007

	Notes	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Investment properties	7		13,132,760		10,407,111
Investments	8		0		0
			<u>13,132,760</u>		<u>10,407,111</u>
<b>CURRENT ASSETS</b>					
Stocks	9	0		0	
Debtors	10	70,845		1,217,562	
Cash at bank and in hand		311,127		28,638	
		<u>381,972</u>		<u>1,246,200</u>	
CREDITORS amounts falling due within one year	11	569,153		594,082	
			<u>-187,181</u>		<u>652,118</u>
<b>NET CURRENT LIABILITIES</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>12,945,579</u>		<u>11,059,229</u>
<b>CREDITORS amounts falling due after more than one year</b>					
Bank loans	12		5,765,000		6,200,000
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	13		232,000		227,000
<b>NET ASSETS</b>					
			<u>6,948,579</u>		<u>4,632,229</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		605,650		605,650
Revaluation reserve	15		3,256,956		1,174,067
Share premium account	15		1,808,886		1,808,886
Profit and loss account			1,277,087		1,043,626
			<u>6,948,579</u>		<u>4,632,229</u>
<b>SHAREHOLDERS FUNDS</b>					
	16		<u>6,948,579</u>		<u>4,632,229</u>
<b>REPRESENTED BY</b>					
Equity interests			6,948,579		4,632,229
Non equity interests			0		0
			<u>6,948,579</u>		<u>4,632,229</u>

Signed on behalf of the  
board of directorsD A Jump  
Director

Approved by the board

19th September 2007

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

BALANCE SHEET AS AT 30TH APRIL 2007

	Notes	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Investment properties	7		8,602,019		7,625,111
Investments	8		1,250,000		1,250,000
			<u>9,852,019</u>		<u>8,875,111</u>
<b>CURRENT ASSETS</b>					
Debtors	10	285,550		1,702,935	
Stocks	9	0		0	
Cash at bank and in hand		304,794		16,379	
		<u>590,344</u>		<u>1,719,314</u>	
CREDITORS amounts falling due within one year	11	417,864		419,359	
<b>NET CURRENT ASSETS</b>					
			172,480		1,299,955
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>10,024,499</u>		<u>10,175,066</u>
<b>CREDITORS amounts falling due after more than one year</b>					
Bank loans	12	5,765,000		6,200,000	
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	13	5,000		0	
		<u>5,770,000</u>		<u>6,200,000</u>	
<b>NET ASSETS</b>					
			<u>4,254,499</u>		<u>3,975,066</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		605,650		605,650
Revaluation reserve	15		334,148		0
Capital reserve	15		3,058,284		3,058,284
Profit and loss account			256,417		311,132
Shareholders funds	16		<u>4,254,499</u>		<u>3,975,066</u>
<b>REPRESENTED BY</b>					
Equity interests			4,254,499		3,975,066
Non equity interests			0		0
			<u>4,254,499</u>		<u>3,975,066</u>

Signed on behalf of the  
board of directorsD A Jump  
Director

Approved by the board

19th September 2007

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

## (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.

<b>2 OPERATING PROFIT</b>	<b>2007</b>	<b>2006</b>
This is stated after charging or crediting	£	£
Auditors remuneration	11,538	10,420
Rental income	719,056	535,391
	=====	=====

**3 DIRECTORS' REMUNERATION**

Fees of £15,000 were paid in the year

<b>4 INTEREST PAYABLE</b>	<b>2007</b>	<b>2006</b>
	£	£
Loans repayable within five years	379,500	127,110
Bank interest receivable	-3,056	-3,537
Loans repayable after more than five years	0	0
	-----	-----
	376,444	123,573
Charged to project costs	0	0
	-----	-----
	376,444	123,573
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

(continued)

## 5 TAXATION

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

	2007	2006
	£	£
Adjustment to previous years - UK corporation tax	-63,847	-9,481
Current period	64,000	122,000
	=====	=====
	153	112,519
	=====	=====

Reconciliation of accounting profit to tax charge

Factors affecting the tax charge for the year

Profit on ordinary activities	390,027	440,643
	=====	=====

Profit on ordinary activities before taxation multiplied by the Standard rate of UK corporation tax of 30% (2006 30%)

117,008	132,193
---------	---------

Effects of

Capital allowances	-45,870	-4,498
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Other adjustments	-7,138	-5,695
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Adjustments to previous years	-63,847	-9,481
-------------------------------	---------	--------

153	112,519
=====	=====

## 6 DIVIDENDS

	2007	2006
	£	£
Proposed		
Ordinary 25p per share (2006 - 0p per share)	151,413	0
	=====	=====
	151,413	0
	=====	=====

## 7 INVESTMENT PROPERTIES

	Group Freehold £	Company Freehold £
At 1st May 2006	10,407,111	7,625,111
Additions at cost	912,760	912,760
Revaluations	2,082,889	334,148
Disposals	-270,000	-270,000
	=====	=====
At 30th April 2007	13,132,760	8,602,019
	=====	=====

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

	£	£
At 1st May 2006	10,407,111	7,625,111
	=====	=====
At 30th April 2007	11,049,871	8,267,871
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

(continued)

**7 INVESTMENT PROPERTIES**

Investment properties were valued on an open market value for existing use basis on 30th April 2007 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 -

	Group £	Company £
Historic cost	9,875,804	8,267,871
Revaluation	3,256,956	334,148
Valuation per accounts	13,132,760	8,602,019

**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 2007 and 2006	1,250,000	0

Details of group companies at 30th April 2007 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

	2007 £	2006 £
Land and building costs	0	0
	0	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

(continued)

## 10 DEBTORS

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	0	0	0	0
Other debtors	28,139	527,249	9,350	0
Amounts owed by group undertakings	0	0	269,668	1,046,333
Vat	0	646,481	0	654,462
Due on legal completion	0	0	0	0
Rent deposits	42,706	43,832	6,532	2,140
	<u>70,845</u>	<u>1,217,562</u>	<u>285,550</u>	<u>1,702,935</u>
	=====	=====	=====	=====

11 CREDITORS AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade creditors	0	0	0	0
Rent deposits	44,018	43,832	7,844	2,140
Amounts owed to group undertakings	0	0	233,657	0
VAT	17,364	0	8,896	0
Other creditors	281,181	47,231	33,663	49,036
Accruals	176,617	401,019	127,404	338,183
	<u>519,180</u>	<u>492,082</u>	<u>411,464</u>	<u>389,359</u>
	=====	=====	=====	=====
Bank loans and overdrafts (note 12)	0	0	0	0
Taxation	49,973	102,000	6,400	30,000
	<u>569,153</u>	<u>594,082</u>	<u>417,864</u>	<u>419,359</u>
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

(continued)

## 12 BANK LOANS AND OVERDRAFTS

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
(a) Falling due within one year				
Bank overdrafts	0	0	0	0
Bank loans	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	=====	=====	=====	=====
(b) Falling due after more than one year				
Bank loans repayable between one and two years	5,765,000	6,200,000	5,765,000	6,200,000
Bank loans repayable between two and five years	0	0	0	0
Loans not repayable within five years	0	0	0	0
	<u>5,765,000</u>	<u>6,200,000</u>	<u>5,765,000</u>	<u>6,200,000</u>
	=====	=====	=====	=====
Aggregate borrowings at 30th April	<u>5,765,000</u>	<u>6,200,000</u>	<u>5,765,000</u>	<u>6,200,000</u>
	=====	=====	=====	=====

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 1.5% above bank base rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

(continued)

## 13 DEFERRED TAXATION

The amounts provided for deferred taxation were as follows

GROUP	2007	2006
	£	£
Accelerated capital allowances	232,000	227,000
Property valuation	0	0
	<u>232,000</u>	<u>227,000</u>
	=====	=====

## COMPANY

The amount provided in respect of property valuations is £5,000 (2006 - nil)

## 14 SHARE CAPITAL

Authorised

	2007	2006
992,000 ordinary shares of £1 each	992,000	992,000
	<u>992,000</u>	<u>992,000</u>
	=====	=====

Allotted, called up and fully paid

605,650 ordinary shares of £1 each	605,650	605,650
	<u>605,650</u>	<u>605,650</u>
	=====	=====

## 15 RESERVES

	REVALUATION RESERVE	SHARE PREMIUM	PROFIT & LOSS RESERVE	TOTAL
GROUP	£	£	£	£
As at 1st May 2006	1,174,067	1,808,886	1,043,626	4,026,579
Premium on issue of shares	0	0	0	0
Revaluation of property	2,082,889	0	0	2,082,889
Transfer of realised profit	0	0	0	0
Transfer from profit and loss account for the year	0	0	233,461	233,461
	<u>3,256,956</u>	<u>1,808,886</u>	<u>1,277,087</u>	<u>6,342,929</u>
	=====	=====	=====	=====
COMPANY				
As at 1st May 2006	0	3,058,284	311,132	3,369,416
Premium on issue of shares	0	0	0	0
Revaluation of property	334,148	0	0	334,148
Transfer of realised profit	0	0	0	0
Transfer from profit and loss account for the year	0	0	-54,715	-54,715
	<u>334,148</u>	<u>3,058,284</u>	<u>256,417</u>	<u>3,648,849</u>
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2007

(continued)

16 MOVEMENT ON SHAREHOLDERS' FUNDS	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Profit for the financial year	384,874	320,124	96,698	293,454
Issue of shares	0	0	0	0
Share premium	0	0	0	0
Deferred taxation	0	0	0	0
Less dividends	-151,413	0	-151,413	0
Revaluation Reserve	2,082,889	0	334,148	0
Other recognised gains and losses	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Opening shareholders funds	2,316,350 4,632,229	320,124 4,312,105	279,433 3,975,066	293,454 3,681,612
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders funds	6,948,579	4,632,229	4,254,499	3,975,066
	<hr/>	<hr/>	<hr/>	<hr/>

## 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 £246,080 due to Jarvis Contracting Limited (2006 - £527,249 due from Jarvis Contracting Ltd)

D A Jump and S J Foster are directors of Jarvis Contracting Limited This transaction was carried out on an arms length basis