

JARVIS COMMERCIAL PROPERTIES LIMITED  
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DIRECTORS REPORT AND FINANCIAL STATEMENTS  
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FOR THE YEAR ENDED 30TH APRIL 2005  
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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.

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JARVIS COMMERCIAL PROPERTIES LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 2005  
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The directors present their report and the group financial statements of Jarvis Commercial Properties Limited for the period ended 30th April 2005.

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 business 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 25p (2004 -20p) per share

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REPORT OF THE DIRECTORS  
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(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 2005 Shares	30th April 2004 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 2005 and 30th April 2004

## 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

24th October 2005

JARVIS COMMERCIAL PROPERTIES LIMITED

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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.

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 2005 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.

26<sup>th</sup> October 2005

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AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2005

	Notes	2005 £	2004 £
TURNOVER		679,262	488,313
Cost of sales		0	0
GROSS PROFIT		679,262	488,313
Administrative expenses		96,183	92,892
OPERATING PROFIT	2	583,079	395,421
PROFIT ON SALE OF PROPERTY		12,685	122,222
		595,764	517,643
INTEREST PAYABLE	4	119,697	36,626
PROFIT on ordinary activities before taxation and exceptional items		476,067	481,017
TAXATION CHARGE on profit on ordinary activities	5	137,179	132,729
Provision for deferred taxation		-17,000	-10,000
PROFIT on ordinary activities after taxation		355,888	358,288
Dividends on equity shares	6	151,412	121,130
RETAINED PROFIT for the period		204,476	237,158

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 2005

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2005 £	2004 £
Profit for financial period	355,888	358,288
Realised surplus on revaluation of property	0	0
Total gains recognised since last annual report	355,888	358,288

NOTE OF HISTORICAL COST PROFIT AND LOSSES

	2005 £	2004 £
Reported profit on ordinary activities before taxation	476,067	481,017
Realisation of property revaluation gains of previous years	0	0
	476,067	481,017
Historical cost profit for year after taxation and dividends	204,476	237,158

## JARVIS COMMERCIAL PROPERTIES LIMITED

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## CONSOLIDATED BALANCE SHEET

AS AT 30TH APRIL 2005

	Notes	£	2005 £	£	2004 £
FIXED ASSETS					
Investment properties	7		7,144,536		6,853,927
Investments	8		0		0
			-----		-----
			7,144,536		6,853,927
CURRENT ASSETS					
Stocks	9	0		0	
Debtors	10	229,036		616,765	
Cash at bank and in hand		148,217		3,614	
		-----		-----	
		377,253		620,379	
CREDITORS : amounts falling due within one year	11	2,990,684		1,263,677	
		-----		-----	
NET CURRENT LIABILITIES			-2,613,431		-643,298
TOTAL ASSETS LESS CURRENT LIABILITIES					
			4,531,105		6,210,629
CREDITORS : amounts falling due after more than one year					
Bank loans	12		0		1,867,000
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	13		219,000		236,000
NET ASSETS					
			4,312,105		4,107,629
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			723,502		519,026
			-----		-----
Shareholders funds	16		4,312,105		4,107,629
REPRESENTED BY					
Equity interests			4,312,105		4,107,629
Non equity interests			0		0
			-----		-----
			4,312,105		4,107,629
			=====		=====

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

Approved by the board

24th October 2005

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

## JARVIS COMMERCIAL PROPERTIES LIMITED

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## BALANCE SHEET AS AT 30TH APRIL 2005

	Notes	£	2005 £	£	2004 £
FIXED ASSETS					
Investment properties			4,362,536		4,071,927
Investments	8		1,250,000		1,250,000
			-----		-----
			5,612,536		5,321,927
CURRENT ASSETS					
Debtors	10	490,559		875,589	
Stocks	9	0		0	
Cash at bank and in hand		143,145		3,392	
		-----		-----	
		633,704		878,981	
CREDITORS : amounts falling due within one year	11	2,564,628		1,058,875	
		-----		-----	
NET CURRENT ASSETS					
			-1,930,924		-179,894
TOTAL ASSETS LESS CURRENT LIABILITIES					
			-----		-----
			3,681,612		5,142,033
CREDITORS : amounts falling due after more than one year					
Bank loans	12	0		1,400,000	
		-----		-----	
			0		1,400,000
NET ASSETS					
			-----		-----
			3,681,612		3,742,033
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			17,678		78,099
			-----		-----
Shareholders funds	16		3,681,612		3,742,033
			=====		=====
REPRESENTED BY					
Equity interests			3,681,612		3,742,033
Non equity interests			0		0
			-----		-----
			3,681,612		3,742,033
			=====		=====

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

Approved by the board :

24th October 2005

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2005

## 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 2005

## (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	2005	2004
This is stated after charging or crediting :	£	£
Auditors remuneration	8,500	6,500
Rental income	554,262	488,313
	=====	=====
3. DIRECTORS' REMUNERATION		
No fees were paid in the year.		
4. INTEREST PAYABLE	2005	2004
	£	£
Loans repayable within five years	121,539	36,632
Bank interest receivable	-1,842	-6
Loans repayable after more than five years	0	0
	-----	-----
	119,697	36,626
Charged to project costs	0	0
	-----	-----
	119,697	36,626
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2005

(continued)

## 5. TAXATION

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

	2005	2004
	£	£
Adjustment to previous years - UK corporation tax	-1,821	-2,071
Current period	139,000	134,800
	-----	-----
	137,179	132,729
	=====	=====
Reconciliation of accounting profit to tax charge		
Factors affecting the tax charge for the year		
Profit on ordinary activities	476,067	481,017
	=====	=====
Profit on ordinary activities before taxation multiplied by the Standard rate of UK corporation tax of 30% (2004 30%)	142,820	144,305
Effects of :		
Capital allowances	-4,498	-4,498
Other adjustments	678	-5,007
Adjustments to previous years	-1,821	-2,071
	-----	-----
	137,179	132,729
	=====	=====

## 6. DIVIDENDS

	2005	2004
	£	£
Proposed :		
Ordinary : 25p per share (2004- 20p per share)	151,412	121,130
	-----	-----
	151,412	121,130
	=====	=====

## 7. INVESTMENT PROPERTIES

	Group Freehold	Company Freehold
	£	£
At 1st May 2004	6,853,927	4,071,927
Additions at cost	390,609	390,609
Disposals	-100,000	-100,000
	-----	-----
At 30th April 2005	7,144,536	4,362,536
	=====	=====

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

	£	£
At 1st May 2004	6,853,927	4,071,927
	=====	=====
At 30th April 2005	7,144,536	4,362,536
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2005

(continued)

## 7. INVESTMENT PROPERTIES

Investment properties were valued on an open market value for existing use basis on 30th April 2005 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	7,144,536	4,362,536
Valuation per accounts	7,144,536	4,362,536

## 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 2005 and 2004	1,250,000	0

Details of group companies at 30th April 2005 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 :

	2005	2004
	£	£
Land and building costs	0	0
	0	0

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2005

(continued)

## 10. DEBTORS

	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Trade debtors	143,913	15,463	58,708	16,678
Other debtors	46,203	12,943	2,515	11,602
Amounts owed by group undertakings	0	0	423,460	291,391
Due on legal completion	0	540,000	0	540,000
Rent deposits	38,920	48,359	5,876	15,918
	229,036	616,765	490,559	875,589

11. CREDITORS : AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Trade creditors	0	0	0	0
Rent deposits	39,745	50,095	6,701	17,654
Amounts owed to group undertakings	0	0	51,474	517,053
VAT	0	0	0	0
Other creditors	235,179	424,680	32,763	16,692
Accruals	285,348	124,972	142,278	62,046
	560,272	599,747	233,216	613,445
Bank loans and overdrafts (note 12)	2,140,000	408,000	2,140,000	248,000
Taxation	139,000	134,800	40,000	76,300
Proposed dividend	151,412	121,130	151,412	121,130
	2,990,684	1,263,677	2,564,628	1,058,875

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2005

(continued)

## 12. BANK LOANS AND OVERDRAFTS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
(a) Falling due within one year				
Bank overdrafts	0	0	0	0
Bank loans	2,140,000	408,000	2,140,000	248,000
	-----	-----	-----	-----
	2,140,000	408,000	2,140,000	248,000
	=====	=====	=====	=====
(b) Falling due after more than one year				
Bank loans repayable between one and two years	0	1,568,000	0	1,400,000
Bank loans repayable between two and five years	0	299,000	0	0
Loans not repayable within five years	0	0	0	0
	-----	-----	-----	-----
	0	1,867,000	0	1,400,000
	=====	=====	=====	=====
Aggregate borrowings at 30th April	2,140,000	2,275,000	2,140,000	1,648,000
	=====	=====	=====	=====

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 2005

(continued)

## 13. DEFERRED TAXATION

The amounts provided for deferred taxation were as follows :

GROUP	2005	2004
	£	£
Accelerated capital allowances	219,000	221,000
Property valuation	0	15,000
	-----	-----
	219,000	236,000
	=====	=====

## COMPANY

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

## 14. SHARE CAPITAL

2005 2004

## Authorised

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 RESERVE	SHARE PREMIUM	PROFIT&LOSS RESERVE	TOTAL
	£	£	£	£
As at 1st May 2004	1,174,067	1,808,886	519,026	3,501,979
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	204,476	204,476
	-----	-----	-----	-----
As at 30th April 2005	1,174,067	1,808,886	723,502	3,706,455
	=====	=====	=====	=====

## COMPANY

As at 1st May 2004	0	3,058,284	78,099	3,136,383
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	-60,421	-60,421
	-----	-----	-----	-----
As at 30th April 2005	0	3,058,284	17,678	3,075,962
	=====	=====	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2005

(continued)

## 16. MOVEMENT ON SHAREHOLDERS' FUNDS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Profit for the financial year	355,888	358,288	90,991	195,482
Issue of shares	0	0	0	0
Share premium	0	0	0	0
Deferred taxation	0	0	0	0
Less dividends	-151,412	-121,130	-151,412	-121,130
Revaluation Reserve	0	0	0	0
Other recognised gains and losses	0	0	0	0
	204,476	237,158	-60,421	74,352
Opening shareholders funds	4,107,629	3,870,471	3,742,033	3,667,681
Closing shareholders funds	4,312,105	4,107,629	3,681,612	3,742,033

## 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 £218,657 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.