

TAFFRULE PROPERTIES LIMITED
FINANCIAL STATEMENTS
29 FEBRUARY 2004



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TAFFRULE PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 29 FEBRUARY 2004

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TAFFRULE PROPERTIES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

N J C Turnbull
P A J Leech

Company secretary

N J C Turnbull

Registered office

17 Salisbury Avenue
Harpenden
Hertfordshire
AL5 2QF

TAFFRULE PROPERTIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 29 FEBRUARY 2004

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 29 February 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property investment.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

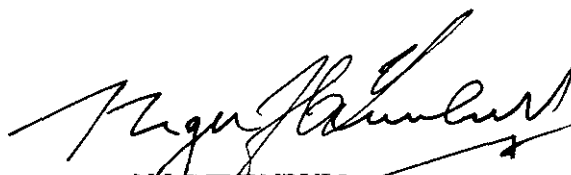
| | | At 29 February 2004 | At 1 March 2003 |
|----------------|---------------------|------------------------|--------------------|
| N J C Turnbull | Ordinary Class A | 450 | 450 |
| P A J Leech | Ordinary Class B | <u>450</u> | <u>450</u> |

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
17 Salisbury Avenue
Harpenden
Hertfordshire
AL5 2QF

Signed by order of the directors



N J C TURNBULL
Company Secretary

Approved by the directors on 22 April 2004

TAFFRULE PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 29 FEBRUARY 2004

| | | Year to 29 Feb 04 £ | Period from 25 Sep 01 to 28 Feb 03 £ |
|--|----------|---------------------------|---|
| TURNOVER | | 83,815 | 86,787 |
| Administrative expenses | | <u>(6,105)</u> | <u>(11,115)</u> |
| OPERATING PROFIT | 2 | 77,710 | 75,672 |
| Interest receivable | | 187 | 204 |
| Interest payable and similar charges | | <u>(30,514)</u> | <u>(39,222)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 47,383 | 36,654 |
| Tax on profit on ordinary activities | 3 | <u>(7,954)</u> | <u>(5,062)</u> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 39,429 | 31,592 |
| Equity dividends proposed | | <u>(19,712)</u> | <u>(15,008)</u> |
| RETAINED PROFIT FOR THE FINANCIAL YEAR | | <u>19,717</u> | <u>16,584</u> |

The notes on pages 6 to 9 form part of these financial statements.

TAFFRULE PROPERTIES LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 29 FEBRUARY 2004

| | Year to 29 Feb 04 £ | Period from 25 Sep 01 to 28 Feb 03 £ |
|---|---------------------------|---|
| Profit for the financial year attributable to the shareholders | 39,429 | 31,592 |
| Unrealised profit on revaluation of certain fixed assets | <u>205,300</u> | -- |
| Total gains and losses recognised since the last annual report | <u>244,729</u> | <u>31,592</u> |

The notes on pages 6 to 9 form part of these financial statements.

TAFRRULE PROPERTIES LIMITED

BALANCE SHEET

29 FEBRUARY 2004

| | Note | 2004 £ | 2003 £ |
|--|------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 785,000 | 579,700 |
| CURRENT ASSETS | | | |
| Cash at bank | | 1,167 | 12,672 |
| CREDITORS: Amounts falling due within one year | 5 | 42,387 | 58,971 |
| NET CURRENT LIABILITIES | | (41,220) | (46,299) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 743,780 | 533,401 |
| CREDITORS: Amounts falling due after more than one year | 6 | 492,799 | 511,133 |
| | | 250,981 | 22,268 |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | |
| Deferred taxation | 8 | 8,480 | 4,784 |
| | | 242,501 | 17,484 |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 10 | 900 | 900 |
| Revaluation reserve | 11 | 205,300 | — |
| Profit and loss account | | 36,301 | 16,584 |
| SHAREHOLDERS' FUNDS | | 242,501 | 17,484 |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 22 April 2004 and are signed on their behalf by:

N J C TURNBULL

The notes on pages 6 to 9 form part of these financial statements.

TAFFRULE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 29 FEBRUARY 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

All completed investment properties are revalued by the Directors annually to reflect current market value. Changes in the value of investment properties are disclosed as movements on revaluation reserves, except for permanent diminution which are charged to the profit and loss account.

No depreciation or amortisation is provided in respect of freehold investment property in accordance with Statement of Standard Accounting Practice 19 (revised). The Directors consider that this accounting policy results in the financial statements giving a true and fair view.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging:

| | Year to 29 Feb 04 | Period from 25 Sep 01 to 28 Feb 03 |
|-----------------------|----------------------|--|
| | £ | £ |
| Directors' emoluments | --- | --- |

TAFFRULE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 29 FEBRUARY 2004

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | Year to 29 Feb 04 £ | Period from 25 Sep 01 to 28 Feb 03 £ |
|---|---------------------------|---|
| Current tax: | | |
| In respect of the year: | | |
| UK Corporation tax based on the results for the year at 19% (2003 - 2%) | 4,258 | 278 |
| Total current tax | 4,258 | 278 |
| Deferred tax: | | |
| Increase in deferred tax provision (note 8) | | |
| Capital allowances | 3,696 | 4,784 |
| Tax on profit on ordinary activities | 7,954 | 5,062 |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2003 - 2%).

| | Year to 29 Feb 04 £ | Period from 25 Sep 01 to 28 Feb 03 £ |
|--|---------------------------|---|
| Profit on ordinary activities before taxation | 47,383 | 36,654 |
| Profit/(loss) on ord actvs by rate of tax | 9,003 | 733 |
| Capital Allowances at effective rate | — | (504) |
| Adjust taxation on profits to actual rate of 4.19% | — | 252 |
| Small companies relief | (1,048) | (203) |
| Deferred tax | (3,697) | — |
| Total current tax (note 3(a)) | 4,258 | 278 |

4. TANGIBLE FIXED ASSETS

| | Freehold Property £ |
|----------------------------|------------------------|
| COST OR VALUATION | |
| At 1 March 2003 | 579,700 |
| Revaluation | 205,300 |
| At 29 February 2004 | 785,000 |
| DEPRECIATION | — |
| NET BOOK VALUE | |
| At 29 February 2004 | 785,000 |
| At 28 February 2003 | 579,700 |

TAFFRULE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 29 FEBRUARY 2004

5. CREDITORS: Amounts falling due within one year

| | 2004 | 2003 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | 28,912 | 33,874 |
| Corporation tax | 4,259 | 278 |
| Other taxation | — | 3,434 |
| Other creditors | 9,216 | 21,385 |
| | <u>42,387</u> | <u>58,971</u> |

6. CREDITORS: Amounts falling due after more than one year

| | 2004 | 2003 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 375,881 | 399,950 |
| Other creditors | 116,918 | 111,183 |
| | <u>492,799</u> | <u>511,133</u> |

The bank loan is secured on the company investment property. The loan is repayable on 1 January 2007 and interest is payable at 1.4% above the LIBOR rate.

7. Borrowings

| | 28 Feb 04 |
|----------------------------|----------------|
| | £ |
| In one year | 28,913 |
| Between one and two years | 30,517 |
| Between two and five years | 350,039 |
| Unamortised finance costs | (4,675) |
| | <u>404,794</u> |

The bank loan is secured on the company investment property. The loan is repayable on 1 January 2007 and interest is payable at 1.4% above the LIBOR rate.

8. DEFERRED TAXATION

| | Year to 29 Feb 04 | Period from 25 Sep 01 to 28 Feb 03 |
|--|----------------------|--|
| | £ | £ |
| The movement in the deferred taxation provision during the year was: | | |
| Provision brought forward | 4,784 | — |
| Profit and loss account movement arising during the year | 3,696 | 4,784 |
| Provision carried forward | <u>8,480</u> | <u>4,784</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

| | 2004 | 2003 |
|---|--------------|--------------|
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | 8,480 | 4,784 |
| | <u>8,480</u> | <u>4,784</u> |

TAFFRULE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 29 FEBRUARY 2004

9. RELATED PARTY TRANSACTIONS

Included in other interest paid is an amount of £4,750 to Fineluck Limited and the balance of the loan at the year end was £58,458. N J C Turnbull a director of the company is a director and shareholder of Fineluck Limited.

Included in professional fees is an amount of £2,500 to Rosemont Assets Limited. N J C Turnbull a director of the company is a director of Rosemont Assets Limited.

Included in other interest paid is an amount of £4,750 to Cleatlam Properties Limited. A total of £2,500 professional fees were paid to Cleatlam Properties Limited, the balance of the loan at the year end was £58,459. P A J Leech a director of the company is a director and shareholder of Cleatlam Properties Limited.

10. SHARE CAPITAL

Authorised share capital:

| | 2004 | 2003 |
|--|--------------|--------------|
| | £ | £ |
| 500 Ordinary Class A shares of £1 each | 500 | 500 |
| 500 Ordinary Class B shares of £1 each | 500 | 500 |
| | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid:

| | 2004 | | 2003 | |
|------------------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| Ordinary Class A shares of £1 each | 450 | 450 | 450 | 450 |
| Ordinary Class B shares of £1 each | 450 | 450 | 450 | 450 |
| | <u>900</u> | <u>900</u> | <u>900</u> | <u>900</u> |

11. REVALUATION RESERVE

| | Year to 29 Feb 04 | Period from 25 Sep 01 to 28 Feb 03 |
|-----------------------------|----------------------|--|
| | £ | £ |
| Revaluation of fixed assets | 205,300 | — |
| Balance carried forward | <u>205,300</u> | <u>—</u> |

12. PROFIT AND LOSS ACCOUNT

| | Year to 29 Feb 04 | Period from 25 Sep 01 to 28 Feb 03 |
|--|----------------------|--|
| | £ | £ |
| Balance brought forward | 16,584 | — |
| Retained profit for the financial year | 19,717 | 16,584 |
| Balance carried forward | <u>36,301</u> | <u>16,584</u> |