

Company Registration No. 0030733 (England and Wales)

NOVA HOLDINGS (SALISBURY) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



NOVA HOLDINGS (SALISBURY) LIMITED

COMPANY INFORMATION

Directors	Peter Laurence Murphy Matthew Martin Slane Paul Williams
Secretary	Paul Williams
Company number	0030733
Registered office	2A Alexandra Grove North Finchley London N12 8NU
Auditors	Elliotts Shah 2nd Floor King House 5-11 Westbourne Grove London W2 4UA

NOVA HOLDINGS (SALISBURY) LIMITED

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NOVA HOLDINGS (SALISBURY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of property investment.

The directors are satisfied with the results for the year.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

The directors do not recommend payment of a preference dividend.

Directors

The following directors have held office since 1 April 2004:

Peter Laurence Murphy
Matthew Martin Slane
Paul Williams

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2005	1 April 2004
Peter Laurence Murphy	-	-
Matthew Martin Slane	-	-
Paul Williams	-	-

	Preference shares of £ 1 each	
	31 March 2005	1 April 2004
Peter Laurence Murphy	-	-
Matthew Martin Slane	-	-
Paul Williams	-	-

The directors' beneficial interests in the shares of the holding company, C & G Properties plc, are disclosed in the accounts of that company.

Auditors

During the course of the year, Arvind Shah & Co were appointed auditors to the company. Arvind Shah & Co have combined their business with another firm and are now trading under the name of Elliotts Shah and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

NOVA HOLDINGS (SALISBURY) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

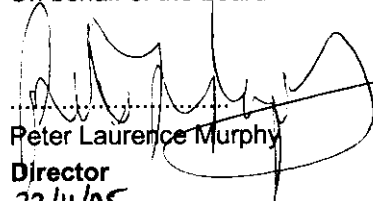
Directors' responsibilities

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 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;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Peter Laurence Murphy

Director

22/11/05

NOVA HOLDINGS (SALISBURY) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NOVA HOLDINGS (SALISBURY) LIMITED

We have audited the financial statements of Nova Holdings (Salisbury) Limited on pages 4 to 9 for the year ended 31 March 2005. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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 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.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 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.

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.

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 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Elliotts Shah

Elliotts Shah

Chartered Accountants
Registered Auditor

22/11/05.....

2nd Floor
King House
5-11 Westbourne Grove
London
W2 4UA

NOVA HOLDINGS (SALISBURY) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Turnover	2	47,500	67,951
Property costs		74	(4,579)
Administrative expenses		(2,829)	(4,392)
Other operating income		-	1,302
Operating profit	3	44,745	60,282
Profit on sale of investment properties		18,731	118,556
Profit on ordinary activities before interest		63,476	178,838
Other interest receivable and similar income		892	1,355
Interest payable and similar charges	4	(1,911)	-
Profit on ordinary activities before taxation		62,457	180,193
Tax on profit on ordinary activities	5	(105,955)	(9,767)
(Loss)/profit on ordinary activities after taxation	10	(43,498)	170,426

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


There are no recognised gains and losses other than those passing through the profit and loss account.

NOVA HOLDINGS (SALISBURY) LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	6		675,000		675,000
Current assets					
Debtors	7	2,141,047		2,272,914	
Cash at bank and in hand		50,262		4,020	
		<u>2,191,309</u>		<u>2,276,934</u>	
Creditors: amounts falling due within one year	8	<u>(38,631)</u>		<u>(80,758)</u>	
Net current assets			<u>2,152,678</u>		<u>2,196,176</u>
Total assets less current liabilities			<u><u>2,827,678</u></u>		<u><u>2,871,176</u></u>
Capital and reserves					
Called up share capital	9		199,904		199,904
Revaluation reserve	10		389,040		389,040
Profit and loss account	10		2,238,734		2,282,232
Shareholders' funds	11		<u><u>2,827,678</u></u>		<u><u>2,871,176</u></u>
Equity interests			2,815,184		2,858,682
Non-equity interests			12,494		12,494
			<u><u>2,827,678</u></u>		<u><u>2,871,176</u></u>

The financial statements were approved by the Board on 22/11/05.....


Peter Laurence Murphy
Director

NOVA HOLDINGS (SALISBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that a consolidated cashflow statement has been included in the accounts of the parent company.

1.2 Turnover

Turnover represents rent and service charges receivable.

1.3 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. On the basis of these financial statements, no provision has been made for deferred tax.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2005	2004
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	500	3,000
	<u> </u>	<u> </u>

4 Interest payable

	2005	2004
	£	£
On overdue tax	1,911	-
	<u> </u>	<u> </u>

NOVA HOLDINGS (SALISBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

5	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	18,737	15,000
	Adjustment for prior years	87,218	(5,233)
	Current tax charge	<u>105,955</u>	<u>9,767</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>62,457</u>	<u>180,193</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>18,737</u>	<u>54,058</u>
	Effects of:		
	Adjustments to previous periods	87,218	(5,233)
	Chargeable disposals	5,619	15,372
	Other tax adjustments	(5,619)	(54,430)
		<u>87,218</u>	<u>(44,291)</u>
	Current tax charge	<u>105,955</u>	<u>9,767</u>

No provision has been made for taxation which might become payable if the company's investment property was sold at the net amount stated in these financial statements; the additional taxation liability could amount to approximately £67,000 (2004: £71,000).

6	Tangible fixed assets	Investment properties £
	Cost or valuation	
	At 1 April 2004 & at 31 March 2005	<u>675,000</u>

Investment properties are stated at directors' valuation. The historical cost of the investment properties is £285,960 (2004: £285,960).

NOVA HOLDINGS (SALISBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

7 Debtors	2005	2004
	£	£
Trade debtors	3,101	13,219
Amounts owed by parent undertaking	2,137,946	2,256,154
Other debtors	-	2,938
Prepayments and accrued income	-	603
	<u>2,141,047</u>	<u>2,272,914</u>
8 Creditors: amounts falling due within one year	2005	2004
	£	£
Corporation tax	18,737	30,517
Other taxes and social security costs	2,046	22,143
Other creditors	13,219	13,219
Accruals and deferred income	4,000	14,250
Proposed dividend	629	629
	<u>38,631</u>	<u>80,758</u>
9 Share capital	2005	2004
	£	£
Authorised		
387,500 Ordinary shares of £1 each	387,500	387,500
12,500 Preference shares of £1 each	12,500	12,500
	<u>400,000</u>	<u>400,000</u>
Allotted, called up and fully paid		
187,410 Ordinary shares of £1 each	187,410	187,410
12,494 Preference shares of £1 each	12,494	12,494
	<u>199,904</u>	<u>199,904</u>

NOVA HOLDINGS (SALISBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

10 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2004	389,040	2,282,232
Retained loss for the year	-	(43,498)
Balance at 31 March 2005	<u>389,040</u>	<u>2,238,734</u>

11 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
(Loss)/Profit for the financial year	(43,498)	170,426
Opening shareholders' funds	<u>2,871,176</u>	<u>2,700,750</u>
Closing shareholders' funds	<u>2,827,678</u>	<u>2,871,176</u>

12 Employees

Number of employees

There were no employees during the year apart from the directors.

13 Control

The company is a wholly owned subsidiary of C & G Properties plc, a company registered in England and Wales. C & G Properties plc is under the control of the director, Peter Laurence Murphy, who is beneficially interested in 85% of the issued share capital.

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.