

DEPENDABLE INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

for the

year ended 31st August 2003



DEPENDABLE INVESTMENTS LIMITED

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For the year ended 31st August 2003

CONTENTS

Page

2-3	Report of the directors
4	Report of the Auditors
5	Profit and loss account
6	Balance sheet
7-10	Notes forming part of the financial statements

DIRECTORS

Mrs J M Harris
H D Leigh Esq
T Q Leigh Esq

COMPANY SECRETARY

H D Leigh Esq

AUDITORS

Thorne Lancaster Parker
Registered Auditor
Chartered Accountants
8th Floor Aldwych House
81 Aldwych
London WC2B 4HN

BANKERS

Barclays Bank Plc

REGISTERED OFFICE

172 Greenford Road
Harrow
Middlesex HA1 3QZ

REGISTERED NUMBER

00567476 England and Wales

DEPENDABLE INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st August 2003

The directors present their report together with the audited financial statements for the year ended 31st August 2003.

PRINCIPAL ACTIVITY, TRADING RESULTS AND DIVIDENDS

The principal activity of the company is that of property development and trading.

The profit and loss account is set out on page 5 and shows the profit for the year after taxation. The directors do not anticipate any significant changes in the company's operations in the ensuing year.

The directors recommended payment of an ordinary dividend of £285,000 for this year.

SIGNIFICANT CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are shown in notes 8 and 9.

DIRECTORS

The directors of the company during the year and their interests in the ordinary share capital of the company were as follows:

	Ordinary shares of £1 each 31st August 2003	Ordinary shares of £1 each 31st August 2002
Mrs J M Harris	33	33
H D Leigh Esq	517	517
T Q Leigh Esq	517	517

Mr T Q Leigh retires from the board by rotation and, being eligible, offers himself for re-election.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts the directors are required to:

- 1 select suitable accounting policies and then apply them consistently;
- 2 make judgements and estimates that are reasonable and prudent;
- 3 follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- 4 prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DEPENDABLE INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (continued)

For the year ended 31st August 2003

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 accounts 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.

OTHER MATTERS

Thorne Lancaster Parker have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

No political or charitable donations over £200 were made during the year.

By order of the Board

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Secretary  H D Leigh

Dated 18th December 2003

**DEPENDABLE INVESTMENTS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
DEPENDABLE INVESTMENTS LIMITED**

We have audited the financial statements of Dependable Investments Limited for the year ended 31st August 2003 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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 accounts give a true and fair view of the state of the company's affairs at 31st August 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8TH FLOOR ALDWYCH HOUSE
81 ALDWYCH
LONDON WC2B 4HN

Thorne Lancaster Parker
THORNE LANCASTER PARKER
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

18TH DECEMBER 2003

DEPENDABLE INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31st August 2003

	Notes	£	2003 £	£	2002 £
Turnover	2		5,950		20,300
Cost of sales			<u>-</u>		<u>35</u>
Gross profit			5,950		20,265
Administrative expenses			<u>11,327</u>		<u>6,224</u>
			(5,377)		14,041
Other operating income			<u>8,283</u>		<u>5,566</u>
OPERATING PROFIT	3		2,906		19,607
Income from investments	4	31,949		32,357	
Profit on sale of investments		174,242		1,337	
Interest receivable	5	<u>925</u>	<u>207,116</u>	<u>1,208</u>	<u>34,902</u>
Profit on ordinary activities before taxation			210,022		54,509
Tax on profit on ordinary activities	6		<u>26,570</u>		<u>21,094</u>
Profit on ordinary activities after taxation			<u>183,452</u>		<u>33,415</u>
Profit for the financial year			183,452		33,415
Dividends	7		<u>285,000</u>		<u>80,000</u>
Retained loss for the year			(101,548)		(46,585)
Retained profit brought forward			<u>1,800,386</u>		<u>1,846,971</u>
RETAINED PROFIT CARRIED FORWARD			<u>£1,698,838</u>		<u>£1,800,386</u>

CONTINUING OPERATIONS

All of the company's activities in the above two financial years derived from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 10 form part of these financial statements.

DEPENDABLE INVESTMENTS LIMITED

BALANCE SHEET

As at 31st August 2003

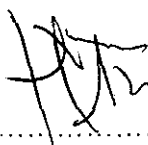
	Notes	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible assets	8		-		132
Investments	9		<u>627,922</u>		<u>268,883</u>
			627,922		269,015
CURRENT ASSETS					
Stocks	10	40,934		40,934	
Debtors	11	2,798,929		1,618,892	
Cash at bank and in hand		<u>288,195</u>		<u>19,305</u>	
		3,128,058		1,679,131	
CREDITORS: Amounts falling due within one year	12	<u>2,055,042</u>		<u>145,660</u>	
NET CURRENT ASSETS			<u>1,073,016</u>		<u>1,533,471</u>
Total assets less current liabilities			<u>£1,700,938</u>		<u>£1,802,486</u>
CAPITAL AND RESERVES					
Called up share capital	13		2,100		2,100
Profit and loss account			<u>1,698,838</u>		<u>1,800,386</u>
SHAREHOLDERS' FUNDS	14		<u>£1,700,938</u>		<u>£1,802,486</u>

The accounts have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 18th December 2003.



..... Director
T Q Leigh



..... Director
H D Leigh

The notes on pages 7 to 10 form part of these financial statements.

DEPENDABLE INVESTMENTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31st August 2003

1 ACCOUNTING POLICIES

There have been no changes in accounting policies during the year. The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention using the following accounting policies.

Cashflow

The accounts do not include a cashflow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard One "Cashflow Statements".

Depreciation

Depreciation is provided to write off the cost less estimated residual value of all fixed assets over their expected useful lives. It is calculated on the original cost of the assets at the following rates per annum:

Office equipment	20% on the reducing balance
------------------	-----------------------------

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

Investment

Other fixed asset investments are stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange. Dividends are included in the profit and loss account.

	2003 £	2002 £
2 TURNOVER		
Sale of ground rents	-	1,000
Sale of leasehold property	5,950	19,300
	<u>£5,950</u>	<u>£20,300</u>
3 OPERATING PROFIT		
This is arrived at after charging/(crediting):		
Auditors remuneration	1,200	1,200
Net rent receivable	(8,283)	(5,566)
Depreciation	<u>132</u>	<u>33</u>

DEPENDABLE INVESTMENTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31st August 2003

	2003	2002
4 INCOME FROM INVESTMENTS	£	£
Franked investment income	18,593	17,141
Unfranked investment income	13,356	15,216
	<u>£31,949</u>	<u>£32,357</u>
5 INTEREST RECEIVABLE		
Short-term bank interest	65	1,111
Other interest received	860	97
	<u>£925</u>	<u>£1,208</u>
6 TAX ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax at 19% based on profit for the year (2002: 20%/19%)	33,350	5,158
Income tax deducted at source	5,300	3,856
Adjustment to previous years	(12,080)	12,080
	<u>£26,570</u>	<u>£21,094</u>
The tax assessed for the year is lower than the standard rate of UK taxation of 30% (2002: 30%). The differences are explained below:		
Profit on ordinary activities before tax	<u>£210,022</u>	<u>54,059</u>
Profit on ordinary activities multiplied by standard rate of 30% (2002: 30%)	63,007	16,218
Income not allowable for tax purposes	(5,578)	(5,142)
Depreciation for period in excess of capital allowances	22	4
Utilisation of tax losses	(786)	-
Adjustment for small companies rate	(23,315)	(5,922)
Current tax charge for the year	<u>£33,350</u>	<u>£5,158</u>
7 DIVIDENDS		
Ordinary shares proposed (£137.88 per share)	<u>£285,000</u>	<u>£80,000</u>
8 TANGIBLE ASSETS	Office equipment	Total
COST	£	£
At 01.09.2002	7,131	7,131
Addition	-	-
At 31.08.2003	<u>£7,131</u>	<u>£7,131</u>
DEPRECIATION		
At 01.09.2002	6,999	6,999
Current year	132	132
At 31.08.2003	<u>£7,131</u>	<u>£7,131</u>
NET BOOK VALUE		
At 31.08.2003	<u>£NIL</u>	<u>£NIL</u>
At 31.08.2002	<u>£132</u>	<u>£132</u>

DEPENDABLE INVESTMENTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st August 2003

	2003 £	2002 £
9 LISTED INVESTMENTS		
Balance brought forward at 01.09.2002	185,621	185,606
Additions	1,652,271	4,466
Disposals	<u>(1,270,960)</u>	<u>(4,451)</u>
Balance carried forward at 31.08.2003	<u>£566,932</u>	<u>£185,621</u>
OTHER LISTED INVESTMENTS		
Balance brought forward 01.09.2002	38,934	38,934
Additions	-	-
Disposals	<u>-</u>	<u>-</u>
Balance carried forward at 31.08.2003	<u>£38,934</u>	<u>£38,934</u>
The market value of the listed investments as at 31st August 2003 was £1,297,371 (2002: £915,695).		
UNLISTED INVESTMENTS		
Balance brought forward 01.09.2002	44,328	44,728
Additions	-	-
Disposals	<u>(22,272)</u>	<u>(400)</u>
Balance carried forward at 31.08.2003	<u>£22,056</u>	<u>£44,328</u>
10 STOCKS		
Freehold ground rents	12,420	12,420
Freehold properties	<u>28,514</u>	<u>28,514</u>
	<u>£40,934</u>	<u>£40,934</u>
11 DEBTORS		
Other debtors	2,778,178	1,600,727
Prepayments and accrued income	<u>20,751</u>	<u>18,165</u>
	<u>£2,798,929</u>	<u>£1,618,892</u>

DEPENDABLE INVESTMENTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

For the year ended 31st August 2003

	2003 £	2002 £
12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Current corporation tax	33,350	17,238
Accruals	7,600	7,600
Other creditors	2,006,281	113,011
Other taxes and social security costs	<u>7,811</u>	<u>7,811</u>
	<u>£2,055,042</u>	<u>£145,660</u>
13 SHARE CAPITAL		
Authorised	<u>£10,000</u>	<u>£10,000</u>
Allotted, called and fully paid		
2,100 ordinary shares of £1 each	<u>£2,100</u>	<u>£2,100</u>
14 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS		
Profit for the financial year after taxation	183,452	33,415
Less: Dividends paid	<u>285,000</u>	<u>80,000</u>
	(101,548)	(46,585)
Opening shareholders' funds at 01.09.2002	<u>1,802,486</u>	<u>1,849,071</u>
Closing shareholders' funds at 31.08.2003	<u>£1,700,938</u>	<u>£1,802,486</u>