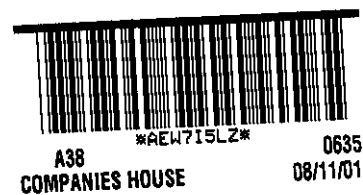


Company Registration No. 02817514 (England and Wales)

**ACACIA ROAD INVESTMENTS LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2000**



# ACACIA ROAD INVESTMENTS LIMITED

## COMPANY INFORMATION

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|                          |   |
|--------------------------|---|
| <b>Director</b>          | J. L. Jacobs  |
| <b>Secretary</b>         | S. E. Jacobs  |
| <b>Company number</b>    | 02817514  |
| <b>Registered office</b> | 48 Portland Place<br>London<br>W1B 1AJ                  |
| <b>Auditors</b>          | Jayson Newman<br>48 Portland Place<br>London<br>W1B 1AJ |

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# ACACIA ROAD INVESTMENTS LIMITED

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# ACACIA ROAD INVESTMENTS LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2000

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The director presents his report and financial statements for the year ended 30 June 2000.

### Principal activities

The principal activity of the company is the operation of a business centre.

### Director

The following director has held office since 1 July 1999:

J. L. Jacobs

### Director's interests

The director had no beneficial interest in the shares of the company. At 30 June 2000 and at 1 July 1999, Mr Jacobs had a family interest, as defined by the Companies Act, in 100 £1 ordinary shares of the parent company, Jack Jacobs Property Services Limited.

### Auditors

Jayson Newman have expressed their willingness to remain in office.

### Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

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

On behalf of the board



J. L. Jacobs

Director

26 October 2001

# ACACIA ROAD INVESTMENTS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF ACACIA ROAD INVESTMENTS LIMITED

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We have audited the financial statements on pages 3 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 6.

### Respective responsibilities of the director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

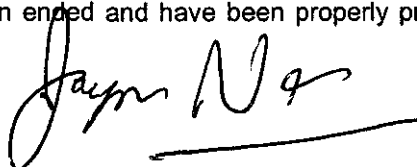
### Basis of opinion

We conducted our audit in accordance with 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 director 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 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Jayson Newman

26 October 2001

Chartered Accountants  
Registered Auditor

48 Portland Place  
London  
W1B 1AJ

# ACACIA ROAD INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

|   | Notes | 2000<br>£ | 1999<br>£ |
|---|-------|-----------|-----------|
| Turnover  |       | 217,827   | 219,268   |
| Cost of sales                                       |       | (167,784) | (122,427) |
| Gross profit  |       | 50,043    | 96,841    |
| Administrative expenses                             |       | (48,192)  | (37,747)  |
| Operating profit                                    | 2     | 1,851     | 59,094    |
| Interest payable and similar charges                |       | (1)       | (4,178)   |
| Profit on ordinary activities before taxation       |       | 1,850     | 54,916    |
| Tax on profit on ordinary activities                | 3     | (9,632)   | (29,821)  |
| (Loss)/profit on ordinary activities after taxation | 8     | (7,782)   | 25,095    |

## ACACIA ROAD INVESTMENTS LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2000

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|   | 2000<br>£              | 1999<br>£             |
|---|------------------------|-----------------------|
| (Loss)/profit for the financial year                      | (7,782)                | 25,095                |
| Unrealised (deficit)/surplus on revaluation of properties | <u>(37,076)</u>        | <u>366,000</u>        |
| Total recognised gains and losses relating to the year    | <u><u>(44,858)</u></u> | <u><u>391,095</u></u> |

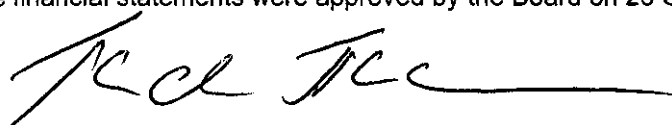
# ACACIA ROAD INVESTMENTS LIMITED

## BALANCE SHEET AS AT 30 JUNE 2000

|   | Notes | 2000<br>£        | £              | 1999<br>£       | £              |
|---|-------|------------------|----------------|-----------------|----------------|
| <b>Fixed assets</b>                                   |       |                  |                |                 |                |
| Tangible assets                                       | 4     |                  | 510,984        |                 | 553,417        |
| <b>Current assets</b>                                 |       |                  |                |                 |                |
| Debtors   | 5     | 115,227          |                | 68,019          |                |
| Cash at bank and in hand                              |       | -                |                | 298             |                |
|   |       | <u>115,227</u>   |                | <u>68,317</u>   |                |
| <b>Creditors: amounts falling due within one year</b> | 6     | <u>(112,250)</u> |                | <u>(62,915)</u> |                |
| <b>Net current assets</b>                             |       |                  | <u>2,977</u>   |                 | <u>5,402</u>   |
| <b>Total assets less current liabilities</b>          |       |                  | <u>513,961</u> |                 | <u>558,819</u> |
| <b>Capital and reserves</b>                           |       |                  |                |                 |                |
| Called up share capital                               | 7     |                  | 1,000          |                 | 1,000          |
| Revaluation reserve                                   | 8     |                  | 436,827        |                 | 517,694        |
| Profit and loss account                               | 8     |                  | <u>76,134</u>  |                 | <u>40,125</u>  |
| <b>Shareholders' funds</b>                            |       |                  | <u>513,961</u> |                 | <u>558,819</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 26 October 2001



J. L. Jacobs  
Director



# ACACIA ROAD INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

#### 1.2 Turnover

Turnover represents rental and service charge income receivable for the period.

#### 1.3 Tangible fixed assets

The leasehold property is stated at open market value on an existing use basis as assessed by the director as at the balance sheet date. Other assets are stated at cost less depreciation.

Depreciation is provided in order to write off the cost or valuation less estimated residual value of each asset over its estimated useful life. Depreciation is provided on a straight line basis over the following periods:

|                          |  |
|--------------------------|--|
| Equipment                | 4 years                                |
| Fixtures and fittings    | 10 years                               |
| Short leasehold property | over the remaining period of the lease |

#### 1.4 Operating leases

Operating lease costs are written off on a straight line basis over the lease term.

#### 1.5 Corresponding amounts

The financial statements for the year ended 30 June 1999 were not audited.

#### 1.6 Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Operating profit

|  | 2000   | 1999   |
|--|--------|--------|
|  | £      | £      |
| Operating profit is stated after charging: |        |        |
| Depreciation of tangible assets            | 50,688 | 19,467 |
| Auditors' remuneration                     | 2,000  | -      |

The rate of depreciation of fixtures and fittings has been reduced to write them off over 10 years instead of 5 years, following a reappraisal of the estimated lives of the assets concerned. If the rate of depreciation had not changed, an additional amount of £3,096 would have been charged to the profit and loss account.

# ACACIA ROAD INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

| 3 | Taxation                                 | 2000<br>£    | 1999<br>£     |
|---|--|--------------|---------------|
|   | <b>U.K. current year taxation</b>        |              |               |
|   | U.K. corporation tax at 20% (1999 - 24%) | 9,632        | 18,507        |
|   | <b>Prior years</b>                       |              |               |
|   | U.K. corporation tax                     | -            | 11,314        |
|   |  | <u>9,632</u> | <u>29,821</u> |

If the investment property was realised for its net book amount then corporation tax of approximately £120,000 (1999, £150,000) might arise.

# ACACIA ROAD INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

### 4 Tangible fixed assets

|                          | Short<br>leasehold<br>property<br>£ | Equipment,<br>fixtures &<br>fittings<br>£ | Total<br>£     |
|--------------------------|-------------------------------------|---|----------------|
| <b>Cost or valuation</b> |                                     |   |                |
| At 1 July 1999           | 550,000                             | 17,548                                    | 567,548        |
| Additions                | 36,883                              | 8,448                                     | 45,331         |
| Revaluation              | (86,883)                            | -   | (86,883)       |
|                          | <u>500,000</u>                      | <u>25,996</u>                             | <u>525,996</u> |
| At 30 June 2000          |                                     |   |                |
| <b>Depreciation</b>      |                                     |   |                |
| At 1 July 1999           | -                                   | 14,131                                    | 14,131         |
| Revaluation              | (49,807)                            | -   | (49,807)       |
| Charge for the year      | 49,807                              | 881                                       | 50,688         |
|                          | <u>-</u>                            | <u>15,012</u>                             | <u>15,012</u>  |
| At 30 June 2000          |                                     |   |                |
| <b>Net book value</b>    |                                     |   |                |
| At 30 June 2000          | <u>500,000</u>                      | <u>10,984</u>                             | <u>510,984</u> |
| At 30 June 1999          | <u>550,000</u>                      | <u>3,417</u>                              | <u>553,417</u> |

If the property had not been revalued, it would have been included at the following amounts:

|                                   | £             |
|-----------------------------------|---------------|
| <b>Cost</b>                       |               |
| At 1 July 1999                    | 50,881        |
| Additions                         | 36,883        |
|                                   | <u>87,764</u> |
| At 30 June 2000                   |               |
| <b>Depreciation based on cost</b> |               |
| At 1 July 1999                    | 18,575        |
| Charge for the year               | 6,016         |
|                                   | <u>24,591</u> |
| At 30 June 2000                   |               |
| <b>Net book value</b>             |               |
| At 30 June 2000                   | <u>63,173</u> |
| At 30 June 1999                   | <u>32,306</u> |

# ACACIA ROAD INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

| 5 Debtors     | 2000<br>£      | 1999<br>£     |
|---------------|----------------|---------------|
| Trade debtors | 3,069          | 1,046         |
| Other debtors | 99,287         | 65,748        |
| Prepayments   | 12,871         | 1,225         |
|               | <u>115,227</u> | <u>68,019</u> |

| 6 Creditors: amounts falling due within one year | 2000<br>£      | 1999<br>£     |
|--|----------------|---------------|
| Bank loans and overdrafts                        | 150            | 875           |
| Taxation and social security                     | 31,619         | 29,795        |
| Other creditors                                  | 80,481         | 32,245        |
|  | <u>112,250</u> | <u>62,915</u> |

| 7 Share capital                           | 2000<br>£    | 1999<br>£    |
|---|--------------|--------------|
| <b>Authorised</b>                         |              |              |
| 1,000 Ordinary Shares of £ 1 each         | <u>1,000</u> | <u>1,000</u> |
| <b>Allotted, called up and fully paid</b> |              |              |
| 1,000 Ordinary Shares of £ 1 each         | <u>1,000</u> | <u>1,000</u> |

| 8 Statement of movements on reserves                         | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ |
|--|-----------------------------|---------------------------------|
| Balance at 1 July 1999                                       | 517,694                     | 40,125                          |
| Retained loss for the year                                   | -                           | (7,782)                         |
| Transfer from revaluation reserve to profit and loss account | (43,791)                    | 43,791                          |
| Revaluation during the year                                  | <u>(37,076)</u>             | -                               |
| Balance at 30 June 2000                                      | <u>436,827</u>              | <u>76,134</u>                   |

## ACACIA ROAD INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

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#### 9 Financial commitments

At 30 June 2000 the company had annual commitments in connection with a property lease.

|                    | Land and buildings |        |
|--------------------|--------------------|--------|
|                    | 2000               | 1999   |
|                    | £                  | £      |
| Expiry date:       |                    |        |
| In over five years | 55,000             | 55,000 |

#### 10 Control

During the current and preceding years, the company's ultimate parent company was Jack Jacobs Property Services Limited which is incorporated in England and Wales and was controlled by Mrs S E Jacobs who is the wife of the director.

#### 11 Related party transactions

The Acacia Group Limited is a related party as it is controlled by the director, J L Jacobs.

During the year, The Acacia Group Limited acted as agent for the company and collected rents and incurred outgoings on behalf of the company. The Acacia Group Limited also provided administrative and management services for the company for which £40,000 (1999: £nil) has been charged to the profit and loss account.

During the year, the company charged a rent of £60,000 (1999: £60,000) to The Acacia Group Limited for the use of the company's premises. Other creditors include £40,000 (1999: £nil) being accrued management charges relating to The Acacia Group Limited.

At the balance sheet date, other debtors include an interest free amount of £98,718 (£65,719) due from The Acacia Group Limited.

During the year, the company granted security over its property and other fixed assets in relation to the bank borrowings of The Acacia Group Limited which amounted to £1,577,768 at the balance sheet date. The company has guaranteed up to £160,000 of the bank borrowings of Jack Jacobs Property Services Limited.