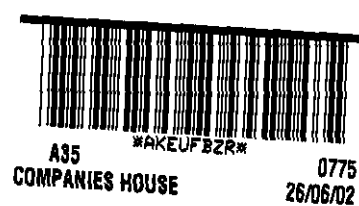


**M J OWEN LIMITED**  
**2001 ANNUAL FINANCIAL STATEMENTS**



**M J OWEN LIMITED**

**COMPANY NUMBER**

**2962507**

**INDEX TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2001**

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**M J OWEN LIMITED****REPORT OF THE DIRECTOR**

The Director presents his report and the audited financial statements for the year ended 31 August 2001

***Share Capital***

There was no change in either the authorised or issued share capital of the company during the year

***Principal Activity and Review of Business***

The Company's principal activity during the period under review was as a specialised consultant in the field of rating appeals. The Director considers the results achieved on ordinary activities before taxation to be satisfactory.

***Dividend and Transfer to Reserves***

The company's profit before tax was £5,039 (2000 -£15,281) on which tax of £1,971 (2000 -£3,050) is payable. Dividends of £25,000 (2000 - £15,000) were approved and paid during the year.

It is proposed that the (loss) after tax and dividends of (£21,932) be transferred to reserves.

***Directors and their Interests***

The Director who served during the period and the beneficial interest of the Director in the issued share capital of the company was:

|          | <b>Class of<br/>Shares</b> | <b>Number of<br/>shares at<br/>31 Aug 01</b> | <b>Number of<br/>shares at<br/>31 Aug 00</b> |
|----------|----------------------------|--|--|
| M.J.Owen | Ordinary                   | 1  | 1  |

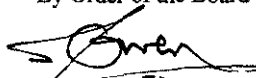
***Close Company***

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

***Auditors***

A resolution to re- appoint Mssrs Morgan & Co in accordance with Section 384 of the Companies Act 1985 will be proposed at the forthcoming Annual General Meeting of the company.

By Order of the Board

  
**M J OWEN**  
 Director

10 September 2001

**M J OWEN LIMITED**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director's to prepare financial statements for each financial year which give a true and fair view of the state of the 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 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
- prepare the financial statements on the going concern basis unless this is inappropriate.

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.

## AUDITORS' REPORT TO THE SHAREHOLDERS OF M J OWEN LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies as set out on page 4.

### Respective responsibilities of directors and auditors

As described on page 2, the company's directors are 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 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 at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985



Chartered Accountants  
Registered Auditor

10 September 2001

**M J OWEN LIMITED**

**ACCOUNTING POLICIES  
for the year ended 31 August 2001**

***Basis of accounting***

The financial statements are prepared under the historical cost convention, in accordance with Section 228 of, and Schedule 4 to, the Companies Act 1985 and in accordance with Standards of Standard Accounting Practices. The policies have been applied consistently in dealing with items which are considered material to the company's financial statements.

***Turnover***

Turnover represents the total invoice value, excluding value added tax, of services rendered during the period.

***Deferred Taxation***

The charge for taxation is based upon the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is made to the extent that it is expected that such deferred taxation will be payable in the foreseeable future.

***Pensions***

The company does not provide a pension fund for either the Director or employees.

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**M J OWEN LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 31 August 2001**

|  | Notes | 2001<br>£ | 2000<br>£ |
|--|-------|-----------|-----------|
| <b>Turnover</b>  | 1     | 20,482    | 29,474    |
| Cost of Sales  |       | (16,171)  | (10,866)  |
| <b>Gross Profit</b>                                      |       | 4,311     | 18,608    |
| Administrative expenses                                  |       | (2,522)   | (8,713)   |
|  |       | 1,789     | 9,895     |
| Interest received  |       | 3,250     | 5,386     |
| <b>Profit on Ordinary<br/>Activities before Taxation</b> | 2-3   | 5,039     | 15,281    |
| Tax on profit on Ordinary Activities                     | 4     | (1,971)   | (3,050)   |
| <b>Profit after tax for the year</b>                     |       | 3,068     | 12,231    |
| Dividends paid   | 13    | (25,000)  | (15,000)  |
| <b>Retained Income for the year</b>                      | 8     | (21,932)  | (2,769)   |

**Total Recognised Gains and Losses**

The company has no recognised gains or losses  
other than the profits in the above two periods

**Continuing Activities**

All activities of the company are continuing.

The notes on pages 8 to 10 form part of these financial statements.

**M J OWEN LIMITED****BALANCE SHEET  
at 31 August 2001**

|   | Notes | 2001<br>£     | 2000<br>£      |
|---|-------|---------------|----------------|
| <b>CURRENT ASSETS</b>                                 |       |               |                |
| Debtors   | 5     | -             | 2,745          |
| Cash at bank and on deposit                           | 11    | 86,789        | 102,283        |
|   |       | <u>86,789</u> | <u>105,028</u> |
| <b>CURRENT LIABILITIES</b>                            |       |               |                |
| <b>CREDITORS:</b> Amounts falling due within one year | 6     | (7,593)       | (3,900)        |
|   |       | <u></u>       | <u></u>        |
| <b>NET CURRENT ASSETS</b>                             |       | <u>79,196</u> | <u>101,128</u> |
| <b>CAPITAL AND RESERVES</b>                           |       |               |                |
| Called up share capital                               | 7     | 32            | 32             |
| Profit and Loss account                               | 8     | 79,164        | 101,096        |
|   |       | <u></u>       | <u></u>        |
| <b>TOTAL SHAREHOLDERS FUNDS</b>                       | 9     | <u>79,196</u> | <u>101,128</u> |
| <b>ALLOCATED TO -</b>                                 |       |               |                |
| <b>ORDINARY SHAREHOLDERS FUNDS</b>                    |       | 79,166        | 101,098        |
| <b>PREFERENCE SHAREHOLDERS FUNDS</b>                  |       | 30            | 30             |
|   |       | <u></u>       | <u></u>        |
| <b>TOTAL SHAREHOLDERS FUNDS</b>                       | 9     | <u>79,196</u> | <u>101,128</u> |

The financial statements were approved  
by the Board of Directors on 10 September  
2001 and are signed on its behalf by:

  
M.J. OWEN  
Director

The notes on pages 8 to 10 form part of these financial statements.

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**M J OWEN LIMITED****CASH FLOW STATEMENT**  
for the year ended 31 August 2001

|                                       | Notes | 2001<br>£ | 2000<br>£ |
|---------------------------------------|-------|-----------|-----------|
| Cash inflow from operating activities | 11    | 7,219     | (10,151)  |
| <b>Return from investments</b>        |       |           |           |
| Interest received                     |       | 3,250     | 5,386     |
| Dividends paid                        |       | (25,000)  | (15,000)  |
|                                       |       | (21,750)  | (9,614)   |
| <b>Taxation paid</b>                  |       | (963)     | (18,062)  |
| <b>(Decrease) in cash balances</b>    | 12    | (15,494)  | (37,827)  |

The notes on pages 8 to 10 form part of these financial statements.

**M J OWEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2001****1 Turnover and Profit before Tax**

Turnover and Profit before tax was derived solely from the main activity, excluding VAT, of the company supplied entirely within the United Kingdom

**2 Operating Profit**

|   | 2001<br>£  | 2000<br>£  |
|---|------------|------------|
| Operating profit is stated after charging:- |            |            |
| Auditors remuneration                       | 500        | 650        |
|   | <u>500</u> | <u>650</u> |

**3 Director and Employees**

The company employed 1 (2000 - 1) member of staff, other than the Director, during the year

|                            | 2001<br>£     | 2000<br>£     |
|----------------------------|---------------|---------------|
| Remuneration paid to staff | 15,000        | 10,000        |
| National Insurance costs   | 1,171         | 866           |
|                            | <u>16,171</u> | <u>10,866</u> |

The Director received no remuneration (2000 - £Nil)

**4 Taxation**

|                                       | 2001<br>£    | 2000<br>£    |
|---------------------------------------|--------------|--------------|
| UK Corporation tax at 20% (2000- 20%) |              |              |
| Current                               | 1,008        | 3,050        |
| Prior                                 | 963          | -            |
|                                       | <u>1,971</u> | <u>3,050</u> |

**5 Debtors**

|                 | 2001<br>£ | 2000<br>£    |
|-----------------|-----------|--------------|
| Trade           | -         | 330          |
| Vat recoverable | -         | 1,452        |
| Other debtors   | -         | 963          |
|                 | <u>-</u>  | <u>2,745</u> |

Debtors are recoverable within one year

**6 Creditors: Amounts falling due within one year**

|                  | 2001<br>£    | 2000<br>£    |
|------------------|--------------|--------------|
| Accruals         | 4,800        | 3,900        |
| Taxation payable | 1,008        | -            |
| VAT              | 1,785        | -            |
|                  | <u>7,593</u> | <u>3,900</u> |

## M J OWEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2001 (continued)

## 7 Share capital

|  | 2001<br>£    | 2000<br>£    |
|--|--------------|--------------|
| <i>Authorised</i>                                    |              |              |
| 1000 Ordinary shares of £1 each                      | 1,000        | 1,000        |
| 100 "A" Non Cumulative Preference shares of £10 each | 1,000        | 1,000        |
| 100 "B" Non Cumulative Preference shares of £10 each | 1,000        | 1,000        |
| 100 "C" Non Cumulative Preference shares of £10 each | 1,000        | 1,000        |
|  | <u>4,000</u> | <u>4,000</u> |

## Allotted, called up and fully paid

|  |           |           |
|--|-----------|-----------|
| 2 Ordinary shares of £1 each                 | 2         | 2         |
| 1 "A" Non Cumulative Preference share of £10 | 10        | 10        |
| 1 "B" Non Cumulative Preference share of £10 | 10        | 10        |
| 1 "C" Non Cumulative Preference share of £10 | 10        | 10        |
|  | <u>32</u> | <u>32</u> |

## 8 Profit and Loss Account

|                              | 2001<br>£     | 2000<br>£      |
|------------------------------|---------------|----------------|
| Balance at 31 August 2000    | 101,096       | 103,865        |
| Retained Income for the year | (21,932)      | (2,769)        |
| Balance at 31 August 2001    | <u>79,164</u> | <u>101,096</u> |

## 9 Reconciliation in Shareholders Funds

|                              | 2001<br>£     | 2000<br>£      |
|------------------------------|---------------|----------------|
| Balance at 31 August 2000    | 101,128       | 103,897        |
| Retained Income for the year | (21,932)      | (2,769)        |
| Balance at 31 August 2001    | <u>79,196</u> | <u>101,128</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2001 (continued)

**10 Reconciliation of Operating Profit to  
net cash flow from operating activities.**

|                                       | 2001<br>£ | 2000<br>£ |
|---------------------------------------|-----------|-----------|
| Operating Profit                      | 1,789     | 9,895     |
| Increase/ (Decrease) in Creditors     | 2,685     | (21,166)  |
| Decrease/ (Increase) in Debtors       | 2,745     | 1,120     |
|                                       | <hr/>     | <hr/>     |
| Cash inflow from operating activities | 7,219     | (10,151)  |
|                                       | <hr/>     | <hr/>     |

**11 Cash and Cash Equivalents**

|                              | Cash at<br>Bank<br>£ | Cash on<br>Deposit<br>£ | Total<br>£ |
|------------------------------|----------------------|-------------------------|------------|
| Balance at 31 August 1998    | 22,333               | 31,317                  | 53,650     |
| (Decrease)/ Increase in year | (19,933)             | 106,393                 | 86,460     |
|                              | <hr/>                | <hr/>                   | <hr/>      |
| Balance at 31 August 1999    | 2,400                | 137,710                 | 140,110    |
| (Decrease)/ Increase in year | 24,518               | (62,345)                | (37,827)   |
|                              | <hr/>                | <hr/>                   | <hr/>      |
| Balance at 31 August 2000    | 26,918               | 75,365                  | 102,283    |
| (Decrease)/ Increase in year | (18,435)             | 2,941                   | (15,494)   |
|                              | <hr/>                | <hr/>                   | <hr/>      |
| Balance at 31 August 2001    | 8,483                | 78,306                  | 86,789     |
|                              | <hr/>                | <hr/>                   | <hr/>      |

**12 Transaction with Director.**

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Management and administration expenses paid | -         | 10,000    |
|   | <hr/>     | <hr/>     |

**13 Dividends Paid**

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Paid on "B" Preference shares on 30 August 2001 | 25,000    | 15,000    |
|   | <hr/>     | <hr/>     |