

**Crown Sakura Limited**  
**REPORT AND FINANCIAL STATEMENTS**

31 March 2002



# Crown Sakura Limited

## DIRECTORS AND OFFICERS

---

### DIRECTORS

P Menon  
M Menon

### SECRETARY

V Rajan

### REGISTERED OFFICE

43 Porchester Terrace  
London W2 3TS

### AUDITORS

Dhanani & Co  
Bridle End  
1c Cheney Street  
Pinner HA5 2TF

### PRINCIPAL BANKERS

National Westminster Bank plc  
PO Box No 4NU  
1 Cavendish Square  
London W1A 4NU

# Crown Sakura Limited

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements for the 18 months ended 31 March 2002.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of import and export of goods.

### DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £1 each</i>	
	31.03.02	30.09.00
P Menon	90	90
M Menon	10	10

### AUDITORS

A resolution to re-appoint Messrs Dhanani & Co. will be proposed at the Annual General Meeting.

### BASIS OF PREPARATION

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

By order of the board ,



V Rajan  
Secretary

21 November 2002

# Crown Sakura Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

Company law requires the directors to prepare financial statements for each financial period 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROWN SAKURA LIMITED

We have audited the financial statements on pages 5 to 12.

## **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. This 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**

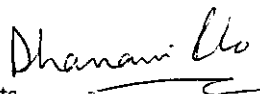
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 March 2002 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

DHANANI & CO



Chartered Accountants  
and Registered Auditors  
Bridle End  
1c Cheney Street  
Pinner HA5 2TF

21 November 2002

**Crown Sakura Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the period ended 31 March 2002**

	Notes	18 months to 31.03.02 £	12 months to 30.09.00 £
TURNOVER		231,418	28,486
Cost of sales		(66,299)	(13,336)
GROSS PROFIT		<u>165,119</u>	<u>15,150</u>
Administrative expenses		(202,352)	(90,916)
OPERATING LOSS	1	<u>(37,233)</u>	<u>(75,766)</u>
Rental income		28,847	17,991
Loss on investment		(100,000)	-
Interest receivable		12,022	6,289
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(96,364)</u>	<u>(51,486)</u>
Tax on loss on ordinary activities		(580)	(3,267)
LOSS FOR THE FINANCIAL PERIOD	10	<u>(96,944)</u>	<u>(54,753)</u>
Dividend	10	-	(25,000)
RETAINED LOSS FOR THE PERIOD		<u>(96,944)</u>	<u>(79,753)</u>

The operating profit for the period arises from the company's continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	18 months to 31.03.02 £	12 months to 30.09.00 £
Loss for the financial period	(96,944)	(54,753)
Unrealised surplus on revaluation of properties	61,325	112,539
Total recognised gains and losses relating to the period	<u>(35,619)</u>	<u>57,786</u>

# Crown Sakura Limited

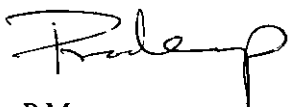
## BALANCE SHEET

31 March 2002

	Notes	31.03.02 £	30.09.00 £
<b>FIXED ASSETS</b>			
Tangible assets	3	609,722	509,336
Investment	4	-	100,000
		<u>609,722</u>	<u>609,336</u>
<b>CURRENT ASSETS</b>			
Debtors	5	145,834	148,428
Cash at bank and in hand		3,476	18,495
		<u>149,310</u>	<u>166,923</u>
CREDITORS: Amounts falling due within one year	6	(257,108)	(44,154)
NET CURRENT (LIABILITIES)/ASSETS		<u>(107,798)</u>	<u>122,769</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>501,924</u>	<u>732,105</u>
CREDITORS: Amounts falling due over one year	7	(464,000)	(658,562)
NET ASSETS		<u>37,924</u>	<u>73,543</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	100	100
Revaluation reserves	9	173,864	112,539
Profit and loss account	10	(136,040)	(39,096)
SHAREHOLDERS' FUNDS	11	<u>37,924</u>	<u>73,543</u>

These 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 on 21 November 2002



P Menon  
Director

# Crown Sakura Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties.

The following accounting policies are consistent with those used in previous years except with regard to deferred taxation. This change has been made to comply with Financial Reporting Standard No. 19, the new accounting standard on deferred taxation, which is applied to the financial statements for the first time. The adoption of this new standard has had no impact on the deferred tax liabilities reported in prior years.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Furniture, fixtures and equipment	25% Reducing balance
-----------------------------------	----------------------

### INVESTMENT PROPERTY

In accordance with Statement of Standard Accounting Practice No 19:

- investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- no depreciation or amortisation is provided in respect of freehold properties and leasehold investment properties with over 20 periods to run.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

### INVESTMENT

Investments are stated at cost less any diminution in value.

### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.



# Crown Sakura Limited

## ACCOUNTING POLICIES

---

### FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of transactions. All differences are taken to the profit and loss account.

### CASHFLOW STATEMENT

The company is exempt, under Section 246 to 249 of the Companies Act 1985 from preparing a cash flow statement.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

**Crown Sakura Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 31 March 2002

---

1	OPERATING LOSS	18 months to 31.03.02 £	12 months to 30.09.00 £
	This is stated after charging the following:		
	Depreciation	5,833	3,112
	Directors' emoluments	45,000	41,500
	Auditor's remuneration	2,650	2,500
		<hr/>	<hr/>
2	TAXATION	2002 £	2001 £
	Based on the result for the period:		
	UK corporation tax at 20% (2001: 20%)	580	-
	Under/(over) provision in earlier years	-	3,267
	Taxation payable	<hr/> 580	<hr/> 3,267
		<hr/>	<hr/>
	Factors affecting tax charge for period:	2002 £	2001 £
	Loss on ordinary activities before tax	(96,364)	(51,486)
	Loss on ordinary activities multiplied by standard rate of 20% (2000: 20%)	<hr/> (19,273)	<hr/> (10,297)
	Expenses not deductible for tax purposes	19,421	1,102
	Depreciation in excess of capital allowances for the period	432	139
	Tax loss not utilised	-	9,056
	Adjustment to tax charge in respect of previous periods	-	3,267
	Current tax charge for period	<hr/> 580	<hr/> 3,267
		<hr/>	<hr/>

The potential unprovided deferred tax liabilities at the balance sheet date was £34,773 (2000 : £22,508) in respect of the tax charge that would arise on the sale of investment property.

**Crown Sakura Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 31 March 2002

---

**3 TANGIBLE FIXED ASSETS**

	Investment Property £	Furniture fittings and Equipment £	Total £
Cost			
1 October 2000	500,000	25,159	525,159
Addition	38,675	6,219	44,894
Revaluation	61,325	-	61,325
31 March 2002	<u>600,000</u>	<u>31,378</u>	<u>631,378</u>
Depreciation			
1 October 2000	-	15,823	15,823
Charged in the period	-	5,833	5,833
31 March 2002	<u>-</u>	<u>21,656</u>	<u>21,656</u>
Net book value			
31 March 2002	<u>600,000</u>	<u>9,722</u>	<u>609,722</u>
30 September 2000	<u>500,000</u>	<u>9,336</u>	<u>509,336</u>

The investment property was revalued at their open market value at 31 March 2002 by the directors. The original cost of the property was £426,136 (2000 : £387,461).

**4 INVESTMENTS**

18 months  
to  
31.03.02  
£

Shares in unquoted company	
1 October 2000	100,000
Investment written off	(100,000)
31 March 2002	<u>-</u>

**5 DEBTORS**

31.03.02  
£

Trade debtors	18,385	32,284
Other debtors	127,479	116,144
	<u>145,834</u>	<u>148,428</u>

# Crown Sakura Limited

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2002

6	CREDITORS: Amounts falling due within one period	31.03.02 £	30.09.00 £
	Bank overdraft	144,800	-
	Trade creditors	57,371	20,025
	Corporation tax	580	-
	Other creditors	40,573	24,129
	Taxation and social security	13,784	-
		<u>257,108</u>	<u>44,154</u>

The bank overdraft from Canara Bank is secured on the fixed asset freehold property of the company.

7	CREDITORS: Amounts falling due over one period	31.03.02 £	30.09.00 £
	Other creditors	464,000	658,562
		<u>464,000</u>	<u>658,562</u>

The creditors have undertaken not to seek repayment of the amounts due to the extent than any such repayment would be to the detriment of the other creditors of the company.

8	SHARE CAPITAL	31.03.02 £	30.09.00 £
	Authorised: 100 ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	Allotted, issued and fully paid: 100 ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>

9	REVALUATION RESERVE		£
	1 October 2000		112,539
	Revaluation during the year		61,325
			<u>173,864</u>

10	PROFIT AND LOSS ACCOUNT		£
	1 October 2000		(39,096)
	Loss for the period		(96,944)
	31 March 2002		<u>(136,040)</u>

# Crown Sakura Limited

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2002

11	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2002 £	2000 £
	Loss for the financial period	(96,944)	(54,753)
	Dividend	-	(25,000)
	Revaluation	61,325	112,539
	Opening shareholders' funds	73,543	40,757
	Closing shareholders' funds	<u>37,924</u>	<u>73,543</u>

## 12 RELATED PARTY TRANSACTIONS

Party	Relationship	Nature of transaction	Transactions in the period		Balance receivable/(payable) at period end	
			31.03.02 £	30.09.00 £	31.03.02 £	30.09.00 £
Gulf Consolidated Co. Limited	M Menon is a director and shareholder	Loan	(50,000)	514,000	(464,000)	(514,000)
Oxbridge Networks	M Menon is a shareholder	Working capital	16,048	-	16,048	-

## 12 CONTROLLING PARTY

The controlling party of the company is Mr P Menon.