

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2006  
for  
D M RAJA (FINANCE) LIMITED**

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# **D M RAJA (FINANCE) LIMITED**

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# **D M RAJA (FINANCE) LIMITED**

**Company Information  
for the Year Ended 31 December 2006**

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**DIRECTORS:**

D M Raja  
Mrs K D Raja  
M Raja

**SECRETARY:**

D M Raja

**REGISTERED OFFICE:**

316 Harrow Road  
Wembley  
Middlesex  
HA9 6LL

**REGISTERED NUMBER:**

01633236

**AUDITORS:**

K N Shah & Co  
Registered Auditors  
232A Northolt Road  
South Harrow  
Middlesex  
HA2 8DU

# **D M RAJA (FINANCE) LIMITED**

## **Report of the Directors for the Year Ended 31 December 2006**

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The directors present their report with the financial statements of the company for the year ended 31 December 2006.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of provision of leasing and hire purchase finance.

### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider the profit achieved on ordinary activities before taxation to be particularly satisfactory given the difficult trading conditions. The directors aim to maintain the current management policies. In the opinion of the directors, the financial position of the company is satisfactory

### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2006

### **DIRECTORS**

The directors during the year under review were:

D M Raja  
Mrs K D Raja  
M Raja

The beneficial interests of the directors holding office on 31 December 2006 in the issued share capital of the company were as follows:

	31.12.06	1.1.06
<b>Ordinary £1 shares</b>		
D M Raja	1	1
Mrs K D Raja	-	-
M Raja	-	-

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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;
- 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 it is inappropriate to presume that the company will continue in business.

## **D M RAJA (FINANCE) LIMITED**

### **Report of the Directors for the Year Ended 31 December 2006**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

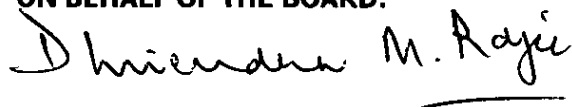
#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, K N Shah & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

#### **ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'D M Raja', with a horizontal line underneath the name.

D M Raja - Secretary

27 June 2007

**Report of the Independent Auditors to the Shareholders of  
D M Raja (Finance) Limited**

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We have audited the financial statements of D M Raja (Finance) Limited for the year ended 31 December 2006 on pages six to fourteen. These financial statements have been prepared under 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 auditors' 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages two and three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors 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 International Standards on Auditing (UK and Ireland) 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.

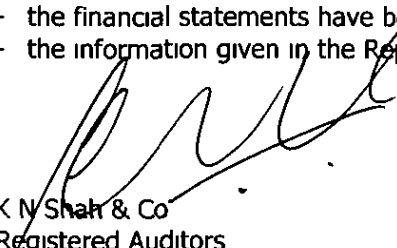
**Report of the Independent Auditors to the Shareholders of  
D M Raja (Finance) Limited**

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**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



K N Shah & Co  
Registered Auditors  
232A Northolt Road  
South Harrow  
Middlesex  
HA2 8DU

27 June 2007

# D M RAJA (FINANCE) LIMITED

## Profit and Loss Account for the Year Ended 31 December 2006

	Notes	31.12.06 £	£	31.12.05 £	£
<b>TURNOVER</b>	2		<b>51,253</b>		50,442
Administrative expenses			<b><u>11,612</u></b>		<u>14,413</u>
			<b>39,641</b>		36,029
Other operating income			<b><u>46,250</u></b>		<u>45,850</u>
<b>OPERATING PROFIT</b>	4		<b>85,891</b>		81,879
Profit/loss on sale of invest			<b><u>18,839</u></b>		<u>(2,858)</u>
			<b>104,730</b>		79,021
Income from fixed asset investments	5	<b>6,704</b>		5,617	
Interest receivable and similar income		<b><u>1,223</u></b>		<u>1,451</u>	
			<b><u>7,927</u></b>		<u>7,068</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>112,657</b>		86,089
Tax on profit on ordinary activities	6		<b><u>16,460</u></b>		<u>15,720</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<b><u>96,197</u></b>		<u>70,369</u>

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements



# D M RAJA (FINANCE) LIMITED

## Balance Sheet 31 December 2006

	Notes	31.12.06 £	£	31 12 05 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		297		-
Investments	8		424,493		317,831
Investment property	9		<u>495,377</u>		<u>495,377</u>
			<b>920,167</b>		813,208
<b>CURRENT ASSETS</b>					
Debtors	10	547,450		603,310	
Cash at bank		<u>34,831</u>		<u>35,327</u>	
		<b>582,281</b>		638,637	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>28,617</u>		<u>35,365</u>	
<b>NET CURRENT ASSETS</b>			<u><b>553,664</b></u>		<u>603,272</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,473,831</b>		1,416,480
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		<u><b>476,850</b></u>		<u>515,695</u>
<b>NET ASSETS</b>			<u><b>996,981</b></u>		<u>900,785</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		200		200
Revaluation reserve	14		104,753		104,753
Profit and loss account	14		<u>892,028</u>		<u>795,832</u>
<b>SHAREHOLDERS' FUNDS</b>	15		<u><b>996,981</b></u>		<u>900,785</u>

The financial statements were approved by the Board of Directors on 27 June 2007 and were signed on its behalf by:

*Dhishendra M. Raja*

D M Raja - Director

The notes form part of these financial statements

# D M RAJA (FINANCE) LIMITED

## Cash Flow Statement for the Year Ended 31 December 2006

	Notes	<b>31.12.06</b> £	31.12 05 £
<b>Net cash inflow from operating activities</b>	1	<b>115,048</b>	159,183
<b>Returns on investments and servicing of finance</b>	2	<b>7,927</b>	7,068
<b>Taxation</b>		<b>(16,460)</b>	(15,720)
<b>Capital expenditure and financial investment</b>	2	<b>(107,011)</b>	(40,416)
<b>(Decrease)/Increase in cash in the period</b>		<b><u>(496)</u></b>	<u>110,115</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
(Decrease)/Increase in cash in the period		<u>(496)</u>	<u>110,115</u>
Change in net funds resulting from cash flows		<u>(496)</u>	<u>110,115</u>
<b>Movement in net funds in the period</b>		<b>(496)</b>	110,115
<b>Net funds/(debt) at 1 January</b>		<b><u>35,327</u></b>	<u>(74,788)</u>
<b>Net funds at 31 December</b>		<b><u>34,831</u></b>	<u>35,327</u>

The notes form part of these financial statements

# D M RAJA (FINANCE) LIMITED

## Notes to the Cash Flow Statement for the Year Ended 31 December 2006

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.06	31.12.05
	£	£
Operating profit	85,891	81,879
Depreciation charges	52	-
Loss/(Profit) on disposal of fixed assets	18,839	(2,858)
Decrease in debtors	55,859	52,446
(Decrease)/Increase in creditors	<u>(45,593)</u>	<u>27,716</u>
<b>Net cash inflow from operating activities</b>	<b><u>115,048</u></b>	<b><u>159,183</u></b>

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.06	31.12.05
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	1,223	1,451
Dividends received	<u>6,704</u>	<u>5,617</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>7,927</u></b>	<b><u>7,068</u></b>
 <b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(349)	-
Purchase of fixed asset investments	(148,091)	(96,917)
Sale of fixed asset investments	<u>41,429</u>	<u>56,501</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>(107,011)</u></b>	<b><u>(40,416)</u></b>

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.06	Cash flow	At
	£	£	31.12.06
			£
Net cash			
Cash at bank	<u>35,327</u>	<u>(496)</u>	<u>34,831</u>
	<u>35,327</u>	<u>(496)</u>	<u>34,831</u>
 Total	<b><u>35,327</u></b>	<b><u>(496)</u></b>	<b><u>34,831</u></b>

The notes form part of these financial statements

# **D M RAJA (FINANCE) LIMITED**

## **Notes to the Financial Statements for the Year Ended 31 December 2006**

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### **1. ACCOUNTING POLICIES**

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

They have been modified to include the revaluation of certain fixed assets and include the results of the company's operations as indicated in the directors report, all of which are continuing.

#### **Turnover**

Turnover represents amounts receivable from hire purchase and leasing contracts and is credited to profit and loss account so as to give a constant rate of return over the life of each agreement.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings                      - 15% on cost

#### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

#### **Deferred tax**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws

#### **Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value

### **2. TURNOVER**

Turnover represents amounts receivable from hire purchase and leasing and is credited to profit and loss account so as to give a constant rate of return over the life of each agreement

### **3. STAFF COSTS**

There were no staff costs for the year ended 31 December 2006 nor for the year ended 31 December 2005.

The average monthly number of employees during the year was as follows:

<b>31.12.06</b>	<b>31.12.05</b>
<u>          </u>	<u>          </u>

# D M RAJA (FINANCE) LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2006

### 4. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.06	31.12.05
	£	£
Depreciation - owned assets	52	-
Auditors' remuneration	<u>1,000</u>	<u>1,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>

### 5. INCOME FROM FIXED ASSET INVESTMENTS

	31.12.06	31.12.05
	£	£
Other fixed asset invest - FII	<u>6,704</u>	<u>5,617</u>

### 6. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31.12.06	31.12.05
	£	£
Current tax		
UK corporation tax	<u>16,460</u>	<u>15,720</u>
Tax on profit on ordinary activities	<u>16,460</u>	<u>15,720</u>

UK corporation tax was charged at 19% in 2005

#### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31.12.06	31.12.05
	£	£
Profit on ordinary activities before tax	<u>112,657</u>	<u>86,089</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	21,405	16,357
Effects of Timing differences	<u>(4,945)</u>	<u>(637)</u>
Current tax charge	<u>16,460</u>	<u>15,720</u>

# D M RAJA (FINANCE) LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2006

### 7 TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>COST</b>	
At 1 January 2006	23,493
Additions	<u>349</u>
At 31 December 2006	<u>23,842</u>
<b>DEPRECIATION</b>	
At 1 January 2006	23,493
Charge for year	<u>52</u>
At 31 December 2006	<u>23,545</u>
<b>NET BOOK VALUE</b>	
At 31 December 2006	<u>297</u>
At 31 December 2005	<u>-</u>

### 8. FIXED ASSET INVESTMENTS

	Listed investments £
<b>COST</b>	
At 1 January 2006	317,831
Additions	148,091
Disposals	<u>(41,429)</u>
At 31 December 2006	<u>424,493</u>
<b>NET BOOK VALUE</b>	
At 31 December 2006	<u>424,493</u>
At 31 December 2005	<u>317,831</u>

Fixed Asset Investments comprise investments listed on the London Stock Exchange, the market value of which at 31 December 2006 amounted to £426,450

### 9 INVESTMENT PROPERTY

	Total £
<b>COST</b>	
At 1 January 2006 and 31 December 2006	<u>495,377</u>
<b>NET BOOK VALUE</b>	
At 31 December 2006	<u>495,377</u>
At 31 December 2005	<u>495,377</u>

# D M RAJA (FINANCE) LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2006

### 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.06	31 12 05
	£	£
Amounts receivable in respect of hire purchase contracts	165,796	224,970
Other debtors	381,402	378,258
Prepayments and accrued income	<u>252</u>	<u>82</u>
	<u><b>547,450</b></u>	<u><b>603,310</b></u>

Amounts falling due after more than one year and included in amounts receivable in respect of hire purchase contracts is £120,451 (2005 - £178,042)

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.06	31.12 05
	£	£
Tax	16,460	15,720
Other creditors	(406)	7,082
Accruals and deferred income	<u>12,563</u>	<u>12,563</u>
	<u><b>28,617</b></u>	<u><b>35,365</b></u>

### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.06	31.12.05
	£	£
Amounts owed to group undertakings	<u><b>476,850</b></u>	<u><b>515,695</b></u>

The above amounts are repayable between one and two years.

### 13. CALLED UP SHARE CAPITAL

Authorised:				
Number	Class	Nominal value	31.12.06	31 12 05
			£	£
1,000	Ordinary	£1	<u><b>1,000</b></u>	<u><b>1,000</b></u>
Allotted, issued and fully paid:				
Number	Class	Nominal value:	31.12.06	31.12.05
			£	£
200	Ordinary	£1	<u><b>200</b></u>	<u><b>200</b></u>

# D M RAJA (FINANCE) LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2006

### 14. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2006	795,831	104,753	900,584
Profit for the year	<u>96,197</u>	<u>          </u>	<u>96,197</u>
At 31 December 2006	<u>892,028</u>	<u>104,753</u>	<u>996,781</u>

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.06	31.12.05
	£	£
Profit for the financial year	<u>96,197</u>	<u>70,369</u>
<b>Net addition to shareholders' funds</b>	<b>96,197</b>	70,369
Opening shareholders' funds	<u>900,785</u>	<u>830,416</u>
<b>Closing shareholders' funds</b>	<u>996,982</u>	<u>900,785</u>