COMPANY REGISTRATION NUMBER 2708821

PEAKTARN

FINANCIAL STATEMENTS

31 AUGUST 2004



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PEAKTARN

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

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PEAKTARN

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A N Brown S M Thornton P L Bancroft
Company secretary	Mr A N Brown
Registered office	Carters Lane Middleton Ilkley LS29 0DQ
Auditors	Windle and Bowker Chartered Accountants & Registered Auditors Croft House Station Road Barnoldswick Lancashire BB18 5NA
Bankers	Lloyds TSB 2 Pavement York North Yorkshire YO1 9LB

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2004.

PRINCIPAL ACTIVITIES
The company's principal activity continues to be the owning and management of property.

DIRECTORS
The directors who served the company during the year were as follows:

A N Brown
S M Thornton
P L Bancroft

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

DIRECTORS' RESPONSIBILITIES
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 Companies Act 1985. The directors 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
A resolution to re-appoint Windle and Bowker as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS
This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Carters Lane
Middleton
Ilkley
LS29 0DQ

Signed by order of the directors



MR A N BROWN
Company Secretary

Approved by the directors on 9 May 2005

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PEAKTARN

YEAR ENDED 31 AUGUST 2004

We have audited the financial statements of Peaktarn for the year ended 31 August 2004 on pages 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the Directors' Report 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 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 financial statements give a true and fair view of the state of the company's affairs as at 31 August 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

WINDLE AND BOWKER
Chartered Accountants
& Registered Auditors

Croft House
Station Road
Barnoldswick
Lancashire
BB18 5NA

19TH May 2005

PEAKTARN

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2004

	Note	2004 £	2003 £
TURNOVER		**60,000**	60,000
Administrative expenses		**17,410**	17,645
OPERATING PROFIT	2	**42,590**	42,355
Interest receivable		**1**	48
Interest payable and similar charges		**(63,700)**	(42,403)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(21,109)**	–
LOSS FOR THE FINANCIAL YEAR		**(21,109)**	–
Balance brought forward		**24,251**	24,251
Balance carried forward		**3,142**	24,251

The notes on pages 7 to 9 form part of these financial statements.

PEAKTARN

BALANCE SHEET

31 AUGUST 2004

	Note	£	2004 £	£	2003 £
FIXED ASSETS					
Tangible assets	3		**1,078,351**		1,057,735
CURRENT ASSETS					
Debtors	4	–		68,950	
CREDITORS: Amounts falling due within one year	5	**158,103**		185,496	
NET CURRENT LIABILITIES			**(158,103)**		(116,546)
TOTAL ASSETS LESS CURRENT LIABILITIES			**920,248**		941,189
CREDITORS: Amounts falling due after more than one year	6		**917,104**		916,936
			3,144		24,253
CAPITAL AND RESERVES					
Called-up equity share capital	8		**2**		2
Profit and loss account			**3,142**		24,251
SHAREHOLDERS' FUNDS			**3,144**		24,253

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 9 May 2005 and are signed on their behalf by:

P L BANCROFT

The notes on pages 7 to 9 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	10% per annum on cost
Fixtures, Fittings & Equipment	-	20% per annum on cost
Freehold Property	-	Nil

Freehold buildings have not been depreciated and this policy represents a departure from statutory accounting principles.In the opinion of the directors the residual value of the freehold property is in excess of the book value due to the policy of maintaining the property.

Deferred taxation

Deferred taxation is provided for in full in accordance with FRS 19.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Directors' emoluments	**-**	-
Depreciation of owned fixed assets	**5,239**	2,982
Auditors' fees	**450**	450

3. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Hall Equipment £	Total £
COST					
At 1 September 2003	**1,005,913**	**4,825**	**–**	**49,979**	**1,060,717**
Additions	**12,339**	**–**	**2,866**	**10,650**	**25,855**
At 31 August 2004	**1,018,252**	**4,825**	**2,866**	**60,629**	**1,086,572**
DEPRECIATION					
At 1 September 2003	**–**	**483**	**–**	**2,499**	**2,982**
Charge for the year	**–**	**482**	**573**	**4,184**	**5,239**
At 31 August 2004	**–**	**965**	**573**	**6,683**	**8,221**
NET BOOK VALUE					
At 31 August 2004	**1,018,252**	**3,860**	**2,293**	**53,946**	**1,078,351**
At 31 August 2003	1,005,913	4,342	–	47,480	1,057,735

4. DEBTORS

	2004 £	2003 £
Other debtors	**–**	68,950

5. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	**86,678**	103,896
Trade creditors	**2,585**	48,218
Other taxation	**1,028**	–
Other creditors	**67,812**	33,382
	158,103	185,496

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004 £	2003 £
Bank loans and overdrafts	**86,678**	103,896

6. CREDITORS: Amounts falling due after more than one year

	2004 £	2003 £
Bank loans and overdrafts	**532,726**	544,155
Amounts owed to group undertakings	**360,557**	294,512
Other creditors	**23,821**	78,269
	917,104	916,936

6. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2004	2003
	£	£
Bank loans and overdrafts	**532,726**	544,155

7. RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Westville House School.During the period Peaktarn received rent at market value of £60,000 (2003 : £60,000) from Westville House School for the use of the school premises.

At the year end the company owed an amount of £360,557 (2003 : £294,512) to Westville House School.The company pays interest on this loan at 2% above the bank base rate. At 31 August 2004, interest of £18,700 (2003 : £12,710) had accrued.

During the year ended 31 August 2004, the company made a donation of £Nil (2003 : £12,710) to Westville House School.

8. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	**1,000**	1,000

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	**2**	**2**	2	2

9. ULTIMATE PARENT COMPANY

The ultimate parent company during the year was Westville House School, a company registered in England and Wales.