Ropetune (Bristol) Limited

Report and Financial Statements

Year Ended

30 June 2004

APPROVAL COPY



L19
COMPANIES HOUSE
0496
29/04/05

BDO

BDO Stoy Hayward
Chartered Accountants

Ropetune (Bristol) Limited

Report and financial statements for the year ended 30 June 2004

Contents

Directors

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Statement of total recognised gains and losses, reconciliation of movement in shareholders' funds and note of historical cost profits and losses
7	Balance sheet
8	Notes forming part of the financial statements

Directors

D Tannen
M I Tannen
D A Tannen

Secretary and registered office

J M Miller, Sutherland House, 70-78 West Hendon Broadway, London, NW9 7BT.

Company number

2996821

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

Ropetune (Bristol) Limited

Report of the directors for the year ended 30 June 2004

The directors present their report together with the audited financial statements for the year ended 30 June 2004.

Results

The profit and loss account is set out on page 5 and shows the profit for the year.

Principal activities

The principal activity of the company is that of property investment.

There have been no events since the balance sheet date which materially affect the position of the company.

Directors

The directors of the company during the year were D Tannen, M I Tannen and D A Tannen.

The directors do not have a beneficial interest in the share capital of the company.

All of the directors are also directors of the parent company, The Tannen Group Limited. Their interests in the ordinary share capital of The Tannen Group Limited are disclosed in the financial statements of that 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 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 and estimates that are reasonable and prudent; and
- 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. 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

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report of the directors 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

J M Miller

Secretary

Date 19 April 2005

To the shareholders of Ropetune (Bristol) Limited

We have audited the financial statements of Ropetune (Bristol) Limited for the year ended 30 June 2004 on pages 5 to 11 which have been prepared under the accounting policies set out on page 8.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
London

27 April 2005

Ropetune (Bristol) Limited

Profit and loss account for the year ended 30 June 2004

	Note	2004 £	2003 £
Net rental income	1	**208,432**	373,490
Administrative expenses		**73,780**	87,841
Operating profit		**134,652**	285,649
Interest payable	2	**58,419**	108,983
Profit on ordinary activities after interest		**76,233**	176,666
Profit on disposal of investment property		**105,014**	-
Profit on ordinary activities before taxation	3	**181,247**	176,666
Taxation on profit on ordinary activities	4	**78,947**	11,842
Profit on ordinary activities after taxation		**102,300**	164,824

All amounts relate to continuing activities.

The notes on pages 8 to 11 form part of these financial statements

Ropetune (Bristol) Limited

Statement of total recognised gains and losses, reconciliation of movements in shareholders' funds and note of historical cost profits and losses for the year ended 30 June 2004

	2004 £	2003 £
Statement of total recognised gains and losses		
Profit for the year	**102,300**	164,824
Unrealised surplus on revaluation of properties	-	375,000
Total recognised gain for the year	**102,300**	539,824
Reconciliation of movements in shareholders' funds		
Profit for the financial year	**102,300**	164,824
Other recognised gain relating to the year (see above)	-	375,000
Net movement in shareholders' funds	**102,300**	539,824
Opening shareholders' funds	**1,949,228**	1,409,404
Closing shareholders' funds	**2,051,528**	1,949,228
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	**181,247**	176,666
Realisation of property revaluation gains of previous years	**400,000**	-
Historical cost profit on ordinary activities before taxation	**581,247**	176,666
Historical cost profit for the year retained after taxation	**502,300**	164,824

The notes on pages 8 to 11 form part of these financial statements

Ropetune (Bristol) Limited

Balance sheet at 30 June 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	5		**1,750,000**		4,125,000
Current assets					
Debtors	6	**1,310,475**		169,570	
Creditors: amounts falling due within one year	7	**124,947**		602,842	
Net current assets/(liabilities)			**1,185,528**		(433,272)
Total assets less current liabilities			**2,935,528**		3,691,728
Creditors: amounts falling due after more than one year	8		**884,000**		1,742,500
			2,051,528		1,949,228
Capital and reserves					
Called up share capital	9		**2**		2
Revaluation reserve	10		**-**		400,000
Profit and loss account	10		**2,051,526**		1,549,226
Shareholders' funds - equity			**2,051,528**		1,949,228

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board on 19 April 2005

Director
D Tannen

The notes on pages 8 to 11 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Investment properties

Investment properties are valued at open market value. Any surplus or deficit arising from such revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

No provision has been made for depreciation on these properties. The directors consider that this accounting policy, which represents a departure from the Companies Act 1985, is necessary to provide a true and fair view.

Net rental income

Net rental income represents gross rental income net of property expenses. Net rental income is wholly attributable to the principal activity of the company and arises solely in the United Kingdom.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Interest payable

	2004 £	2003 £
Bank loans and overdrafts	**58,419**	108,983

3 Profit on ordinary activities before taxation

None of the directors received any emoluments from the company. Their emoluments are paid by another group company and disclosed in the financial statements of that company.

Auditors' remuneration is also paid by another group company and disclosed in their financial statements.

4 Taxation

	2004 £	2003 £
Current tax		
UK corporation tax on profits of the year	**78,947**	11,842

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	**181,247**	176,666
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003 – 30%)	**54,374**	53,000
Effects of:		
Group relief	**(49,977)**	(41,158)
Capital gains in excess of accounting profit on disposal	**74,550**	-
Current tax charge for the period	**78,947**	11,842

5 Tangible assets

	Freehold investment property £
Valuation	
At 1 July 2003	4,125,000
Disposals	(2,375,000)
At 30 June 2004	**1,750,000**
Historic cost	**1,750,000**

The company's investment property was valued by the directors on the basis of open market value at 30 June 2004. If they were sold at this valuation, no tax liability would arise.

6 Debtors

	2004 £	2003 £
Amount due from parent undertaking	**1,310,475**	169,570

All amounts shown above fall due for payment within one year.

7 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loan (secured - see note 8)	**46,000**	121,000
Amount due to group undertaking	**-**	470,000
Taxation	**78,947**	11,842
	124,947	602,842

8 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Bank loans (secured)	**884,000**	1,742,500

The bank loan is secured by way of a fixed charge over the company's investment property, a floating charge over all the other assets of the company and by guarantees given by the parent undertaking. Interest was payable at fixed rates of 6.72% and 8.87% during the year under review.

The loan falls due for repayment as follows:	2004 £	2003 £
Within 1-2 years	**46,000**	858,500
Within 2-5 years	**138,000**	138,000
After 5 years	**700,000**	746,000
	884,000	1,742,500

9 Share capital

	Authorised		Allotted, called up and fully paid	
	2004 £	2003 £	2004 £	2003 £
Ordinary shares of £1 each	**1,000**	1,000	**2**	2

10 Reserves

	Revaluation reserve £	Profit and loss account £
As at 1 July 2003	400,000	1,549,226
Profit for the year	-	102,300
Transfer on disposal of investment property	(400,000)	400,000
As at 30 June 2004	-	**2,051,526**

11 Ultimate parent company and controlling party

The company's ultimate parent company is The Tannen Group Limited, which is controlled by the Tannen family. Group accounts can be obtained from the Registrar of Companies.

12 Cash flow statement

The company has taken advantage of the exemption allowed under Financial Reporting Standard 1 "Cash Flow Statements" not to produce a cash flow statement as it is a wholly owned subsidiary of The Tannen Group Limited. A group cash flow statement is included in the financial statements of that company.

13 *Related party transactions*

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of The Tannen Group Limited.