

**REGISTRAR OF  
COMPANIES**

3371321

**Piperlink Limited**

Report and Financial Statements

Period Ended

30 June 1998



REGISTRATION  
COMPANIES HOUSE 17/09/99

**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

# **PIPERLINK LIMITED**

## **Report and financial statements for the period ended 30 June 1998**

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Directors

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### **Directors**

D A Tannen  
D Tannen  
M Tannen

### **Secretary and registered office**

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

### **Company number**

3371321

### **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

## **PIPERLINK LIMITED**

### **Report of the directors for the period ended 30 June 1998**

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The directors present their report together with the audited financial statements for the period ended 30 June 1998. The company was incorporated on 15 May 1997.

#### **Results and dividends**

The profit and loss account is set out on page 4 and shows the profit for the period.

The directors do not recommend the payment of a dividend.

#### **Principal activities, trading review and future developments**

The company purchased an investment property during the period.

#### **Year 2000**

The directors are reviewing the likely impact of the Year 2000 issue on the company's operations. They do not consider that the business will be affected to any significant extent, nor do they anticipate any material cost being incurred in addressing the issue.

#### **Directors**

The directors of the company during the period were D Tannen, M I Tannen and D A Tannen. No directors has any interest in the share capital of the company.

#### **Directors' responsibilities**

*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:*

- *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.

**PIPERLINK LIMITED**

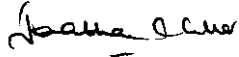
**Report of the directors for the period ended 30 June 1998 (*Continued*)**

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**Auditors**

BDO Stoy Hayward, who were appointed as first auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the Board**



J M Miller

**Secretary**

Date 6/09/99

## PIPERLINK LIMITED

### Report of the auditors

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#### To the shareholders of Piperlink Limited

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

#### *Respective responsibilities of directors and auditors*

As described on page 1 the company's directors are responsible for the preparation of the 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.

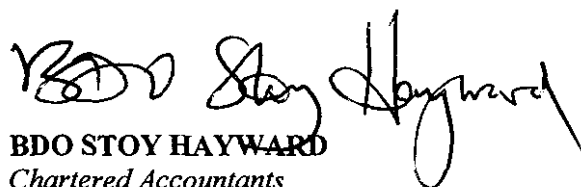
#### *Basis of opinion*

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 as at 30 June 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD**  
*Chartered Accountants  
and Registered Auditors*  
London

Date

**PIPERLINK LIMITED****Profit and loss account for the period ended 30 June 1998**

|                                                      | Note | £             |
|------------------------------------------------------|------|---------------|
| <b>Turnover</b>                                      | 2    | 128,939       |
| Cost of sales                                        |      | -             |
|                                                      |      | <hr/>         |
| <b>Gross profit</b>                                  |      | 128,939       |
| Administrative expenses                              |      | 23,836        |
|                                                      |      | <hr/>         |
| <b>Operating profit</b>                              |      | 105,103       |
| Interest payable                                     | 3    | 83,850        |
|                                                      |      | <hr/>         |
| <b>Profit on ordinary activities before taxation</b> | 4    | 21,253        |
| Taxation on profit from ordinary activities          | 5    | -             |
|                                                      |      | <hr/>         |
| <b>Profit on ordinary activities after taxation</b>  |      | <u>21,253</u> |

All amounts relate to continuing activities.

\*All recognised gains and losses are included in the profit and loss account.

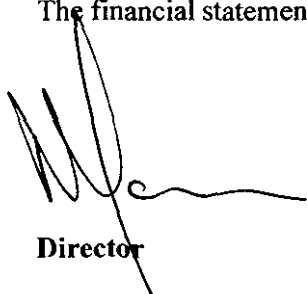
The notes on pages 6 to 8 form part of these financial statements.

**PIPERLINK LIMITED**

**Balance sheet at 30 June 1998**

|                                                                | Note | £         | £           |
|----------------------------------------------------------------|------|-----------|-------------|
| <b>Fixed assets</b>                                            |      |           |             |
| Tangible assets                                                | 6    |           | 1,410,000   |
| <b>Current assets</b>                                          |      | 2,994     |             |
| <b>Creditors: amounts falling due within one year</b>          | 8    | (172,021) |             |
|                                                                |      |           |             |
| <b>Net current assets</b>                                      |      |           | (169,027)   |
|                                                                |      |           |             |
| <b>Total assets less current liabilities</b>                   |      |           | 1,240,973   |
|                                                                |      |           |             |
| <b>Creditors: amounts falling due after more than one year</b> | 9    |           | (1,125,000) |
|                                                                |      |           |             |
|                                                                |      |           | 115,973     |
|                                                                |      |           |             |
| <b>Capital and reserves</b>                                    |      |           |             |
|                                                                |      |           |             |
| Called up share capital                                        | 10   |           | 2           |
| Revaluation reserve                                            |      |           | 94,718      |
| Profit and loss account                                        |      |           | 21,253      |
|                                                                |      |           |             |
| <b>Shareholders' funds</b>                                     |      |           | 115,973     |

The financial statements were approved by the Board on 6 September 1999

  
Director

The notes on pages 6 to 8 form part of these financial statements.

## PIPERLINK LIMITED

Notes forming part of the financial statements for the period ended 30 June 1998

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents rental income from the investment properties of the company.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, over their expected useful lives. It is calculated at the following rates:

Freehold buildings - no depreciated

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

#### *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 that short falling against the original cost are written off 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.

### 2 Turnover

The turnover is attributable to the company's principal activity and derived from income in the United Kingdom.

### 3 Interest payable

Bank loans and overdrafts

£

83,850

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**PIPERLINK LIMITED**

Notes forming part of the financial statements for the period ended 30 June 1998 (*Continued*)

|          |                                                                                       |                                      |
|----------|---------------------------------------------------------------------------------------|--------------------------------------|
| <b>4</b> | <b>Profit on ordinary activities before taxation</b>                                  | <b>£</b>                             |
|          | This is arrived at after charging:                                                    |                                      |
|          | Directors' remuneration                                                               | -                                    |
|          | Auditors' remuneration                                                                | -                                    |
|          |                                                                                       | <u>          </u>                    |
| <b>5</b> | <b>Taxation on profits from ordinary activities</b>                                   |                                      |
|          | UK corporation tax                                                                    | -                                    |
|          |                                                                                       | <u>          </u>                    |
|          | The taxation charge for the period has been reduced as a result of group loss relief. |                                      |
| <b>6</b> | <b>Tangible assets</b>                                                                |                                      |
|          |                                                                                       | <b>Investment<br/>property<br/>£</b> |
|          | <i>Cost or revaluation</i>                                                            |                                      |
|          | Additions                                                                             | 1,315,282                            |
|          | Revaluation                                                                           | 94,718                               |
|          |                                                                                       | <u>          </u>                    |
|          | At end of period                                                                      | 1,410,000                            |
|          |                                                                                       | <u>          </u>                    |
|          | <i>Depreciation</i>                                                                   |                                      |
|          | Provided for the period and at<br>end of period                                       | -                                    |
|          |                                                                                       | <u>          </u>                    |
|          | <i>Net book value</i>                                                                 |                                      |
|          | At 30 June 1998                                                                       | 1,410,000                            |
|          |                                                                                       | <u>          </u>                    |
| <b>7</b> | <b>Debtors</b>                                                                        | <b>£</b>                             |
|          | Prepayments                                                                           | 2,994                                |
|          |                                                                                       | <u>          </u>                    |

## PIPERLINK LIMITED

Notes forming part of the financial statements for the period ended 30 June 1998 (*Continued*)

|          |                                                       |                |
|----------|-------------------------------------------------------|----------------|
| <b>8</b> | <b>Creditors: amounts falling due within one year</b> | <b>£</b>       |
|          | Amounts owed to ultimate parent company               | 95,188         |
|          | Creditors for taxation and social security            | 8,708          |
|          | Accruals                                              | 53,625         |
|          | Amounts due to fellow undertaking                     | 14,500         |
|          |                                                       | <u>172,021</u> |

### **9 Creditors: amounts falling due after more than one year**

|                          |           |
|--------------------------|-----------|
| Bank loans and overdraft | 1,125,000 |
|--------------------------|-----------|

The bank loan is repayable after more than five years and is charged at the rate of 8.6% per annum. It is secured by a charge over the company's investment property.

### **10 Share capital**

|                    | <b>Authorised<br/>£</b> | <b>Allotted, called up<br/>and fully paid<br/>£</b> |
|--------------------|-------------------------|-----------------------------------------------------|
| Ordinary £1 shares | 1,000                   | 2                                                   |
|                    | <u>1,000</u>            | <u>2</u>                                            |

### **11 Ultimate parent company**

At 30 June 1998, the company's ultimate parent company was The Tannen Group Limited, which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of The Tannen Group Limited, are available from Companies House.

|           |                                                           |                |
|-----------|-----------------------------------------------------------|----------------|
| <b>12</b> | <b>Reconciliation of movements in shareholders' funds</b> | <b>£</b>       |
|           | Profit for the period                                     | 21,253         |
|           | Issue of shares                                           | 2              |
|           | Revaluation of investment property                        | 94,718         |
|           |                                                           | <u>115,973</u> |
|           | Shareholders' funds carried forward                       | <u>115,973</u> |