

**REGISTRAR OF
COMPANIES**

3371321

Piperlink Limited

Report and Financial Statements

Year Ended

30 June 2007

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BDO Stoy Hayward
Chartered Accountants

Piperlink Limited

Annual report and financial statements for the year ended 30 June 2007

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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

3371321

Auditors

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU

Piperlink Limited

Report of the directors for the year ended 30 June 2007

The directors present their report together with the audited financial statements for the year ended 30 June 2007

Results

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

The directors do not recommend the payment of a dividend (2006 - £Nil)

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 throughout the year were D Tannen, M I Tannen and D A Tannen

Directors' responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware,

- There is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Piperlink Limited

Report of the directors for the year ended 30 June 2007 (Continued)

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

J M Miller

Secretary

Date 29 APRIL 2008

Piperlink Limited

Report of the independent auditors

To the shareholders of Piperlink Limited

We have audited the financial statements of Piperlink Limited for the year ended 30 June 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 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 and whether the information given in the directors' report is consistent with those financial statements. We also 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 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 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.

Piperlink Limited

Report of the independent auditors (*Continued*)

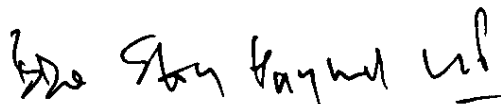
Qualified opinion arising from disagreement about accounting treatment

As explained in note 1, investment properties have been included in the financial statements at cost rather than open market value as required by Statement of Standard Accounting Practice No 19 'Accounting for investment properties'. We are unable to quantify the effect, if any, on reserves and tangible fixed assets of this non-compliance with accounting standards.

Except for the failure to include investment properties at open market value 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 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and,

In our opinion, the information given in the directors' report is consistent with the financial statements



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
London

29 April 2008

Piperlink Limited

Profit and loss account for the year ended 30 June 2007

	Note	2007 £	2006 £
Net rental income	2	150,000	150,000
Administrative expenses		30,000	30,000
Operating profit	3	120,000	120,000
Interest payable	4	(74,505)	(79,391)
Profit on ordinary activities before taxation		45,495	40,609
Taxation on profit on ordinary activities	5	34,603	1,397
Profit on ordinary activities after taxation		10,892	39,212

All amounts relate to continuing activities

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

There have been no movements in shareholders' funds other than the profit for the year

The notes on pages 7 to 10 form part of these financial statements

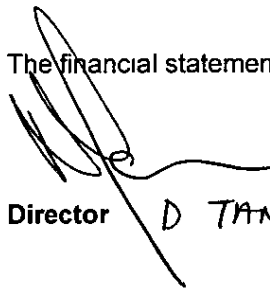
Piperlink Limited

Balance sheet at 30 June 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	6		1,315,282		1,315,282
Creditors: amounts falling due within one year	7	336,649		280,978	
Net current liabilities			(336,649)		(280,978)
Total assets less current liabilities			978,633		1,034,304
Creditors: amounts falling due after more than one year	8		770,458		837,021
Net assets			208,175		197,283
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		208,173		197,281
Shareholders' funds	11		208,175		197,283

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

The financial statements were approved by the Board of Directors and authorised for issue on 29 4 08



Director D TANNEN

The notes on pages 7 to 10 form part of these financial statements

Piperlink Limited

Notes forming part of the financial statements for the year ended 30 June 2007

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.

Investment properties

Investment properties are stated in the balance sheet at the lower of cost and the Directors' opinion of net realisable value. This treatment is not in accordance with Statement of Standard Accounting Practice No. 19 which requires such properties to be stated at their open market value. The directors consider the cost of obtaining a valuation would outweigh the benefit to the users of the financial statements.

No provision has been made for depreciation on these properties. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impractical and, in the opinion of the directors, would be misleading.

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 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.

3 Operating profit

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 its financial statements.

Piperlink Limited

Notes forming part of the financial statements for the year ended 30 June 2007 (Continued)

4 Interest payable

	2007 £	2006 £
Bank loans and overdrafts	74,505	79,391

5 Taxation

	2007 £	2006 £
<i>Current tax</i>		
UK corporation tax on profits of the year	36,000	1,397
Adjustment in respect of previous period	(1,397)	-
	34,603	1,397

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

	2007 £	2006 £
Profit on ordinary activities before tax	45,495	40,609
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30 % (2006 – 30%)	13,648	12,183
Effects of Group relief	22,352	(10,786)
Current tax charge for the period	36,000	1,397

6 Tangible assets

	Freehold investment properties £
<i>Cost</i>	
At 1 July 2006 and at 30 June 2007	1,315,282

Piperlink Limited

Notes forming part of the financial statements for the year ended 30 June 2007 (Continued)

7 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loan (secured - see note 8)	66,563	61,134
Amounts owed to parent undertaking	185,983	168,147
Corporation tax	34,603	1,397
Accruals and deferred income	49,500	50,300
	<u>336,649</u>	<u>280,978</u>

8 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Bank loans (secured)	<u>770,458</u>	<u>837,021</u>

The bank loan is secured by way of a fixed charge over the freehold investment property

Interest is fixed at the rate of 8.6% per annum until expiry of the loan in August 2013

The loans fall due for repayment as follows

	2007 £	2006 £
Analysis of maturity of debt		
Between one and two years	72,475	66,563
Between two and five years	22,983	95,458
After five years	675,000	675,000
	<u>770,458</u>	<u>837,021</u>

9 Share capital

	2007 Number	2006 Number	Authorised 2007 £	2006 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	2007 Number	2006 Number	Allotted, called up and fully paid 2007 £	2006 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Piperlink Limited

Notes forming part of the financial statements for the year ended 30 June 2007 (Continued)

10 Profit and loss account	£
At 1 July 2006	197,281
Profit for the financial year	10,892
At 30 June 2007	208,173

11 Reconciliation of movement in shareholders' funds	2007	2006
	£	£
At 1 July 2006	197,283	158,071
Profit for the financial year	10,892	39,212
At 30 June 2007	208,175	197,283

12 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.

13 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.

14 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.