REGISTRAR OF COMPANIES

Piperlink Limited

Report and Financial Statements

Year Ended

30 June 2009

Company number 3371321

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Piperlink Limited

Report and financial statements
for the year ended 30 June 2009

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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 LLP, 55 Baker Street, London, W1U 7EU

Piperlink Limited

Report of the directors
for the year ended 30 June 2009

The directors present their report together with the audited financial statements for the year ended 30 June 2009

Results

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

The directors do not recommend the payment of a dividend (2008 - £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 directors' report and 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

Auditors

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

In preparing the directors' report advantage has been taken of the small companies exemption under the Companies Act 2006

By order of the board

J M Miller

Secretary

Date 26 MAR 2010

Piperlink Limited

Independent auditor's report

TO THE MEMBERS OF PIPERLINK LIMITED

We have audited the financial statements of Piperlink Limited for the year ended 30 June 2009 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

Qualified opinion arising from disagreement about accounting treatment

As explained in note 1, investment properties have been included in the financial statements at cost less any provision for impairment 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 of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

BDO LLP

Richard Levy (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 26 MAR 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Piperlink Limited

Profit and loss account
for the year ended 30 June 2009

	Note	2009 £	2008 £
Net rental income	2	74,661	150,000
-Provision against carrying value of investment property		315,282	-
-Other administrative expenses		-	30,000
Administrative expenses		315,282	30,000
Operating (loss)/ profit	3	(240,621)	120,000
Interest payable	4	(62,964)	(68,875)
(Loss)/ profit on ordinary activities before taxation		(303,585)	51,125
Taxation on profit on ordinary activities	5	-	10,291
(Loss)/ profit on ordinary activities after taxation		(303,585)	40,834

All amounts relate to continuing activities
All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 11 form part of these financial statements

Piperlink Limited

Balance sheet
at 30 June 2009

Company number: 3371321	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	6		1,000,000		1,315,282
Current assets					
Debtors	7	1,403		-	
Creditors: amounts falling due within one year	8	32,983		368,290	
Net current liabilities			(31,580)		(368,290)
Total assets less current liabilities			968,420		946,992
Creditors amounts falling due after more than one year	9		675,000		697,983
Net assets			293,420		249,009
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		293,418		249,007
Shareholders' funds	12		293,420		249,009

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the Board of Directors and authorised for issue on 26 MAR 2010

Director

D. A. Tanner

The notes on pages 7 to 11 form part of these financial statements

Piperlink Limited

Notes forming part of the financial statements
for the year ended 30 June 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and with the exception of investment properties 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 less any provision for impairment 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 2006 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

4 Interest payable

	2009 £	2008 £
Bank loans and overdrafts	62,964	68,875

5 Taxation

	2009 £	2008 £
Current tax		
UK corporation tax on loss of the year	-	10,291
	-	10,291

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

	2009 £	2008 £
(Loss)/ profit on ordinary activities before tax	(303,585)	51,125
(Loss)/ profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 28%)	(85,004)	14,315
Effects of		
Rate change in the year	-	523
Provision against carrying value of investment property	88,279	-
Group relief	(3,275)	(4,548)
Current tax charge for the period	-	10,290

6 Tangible assets

	Freehold investment properties £
Cost	
At 1 July 2008 and at 30 June 2009	1,315,282
Provision against carrying value of investment property	
Provided in the year and at 30 June 2009	(315,282)
Net book value at 30 June 2009	1,000,000
Net book value at 30 June 2008	1,315,282

7 Debtors

	2009 £	2008 £
Prepayment	1,403	-

8 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loan (secured - see note 9)	22,983	72,475
Amounts owed to parent undertaking	-	237,024
Corporation tax	-	10,291
Accruals and deferred income	10,000	48,500
	32,983	368,290

9 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Bank loans (secured)	675,000	697,893

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

	2009 £	2008 £
Analysis of maturity of debt		
Between one and two years	-	22,983
Between two and five years	675,000	-
After five years	-	675,000
	675,000	697,983

10 Share capital

	Authorised			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

	Allotted, called up and fully paid			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of £1 each	2	2	2	2

11 Profit and loss account

	Profit & loss Reserve	Capital Contribution Reserve
	£	£
At 1 July 2008	249,007	-
Loss for the financial year	(303,585)	-
Release of debt by parent company	-	347,996
Transfer to profit & loss reserve	347,996	(347,996)
At 30 June 2009	293,418	-

12 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	249,009	208,175
(Loss)/ profit for the financial year	(303,585)	40,834
Capital contribution by parent company	347,996	-
Closing shareholders' funds	293,420	249,009

13 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

14 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

15 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