

Chromegrove Limited

Report and Financial Statements

Year Ended

30 June 2004

APPROVAL COPY



BDO

BDO Stoy Hayward
Chartered Accountants

Chromegrove Limited

Annual report and financial statements for the year ended 30 June 2004

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Director

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Director

D Tannen

Secretary and registered office

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

Company number

1047148

Auditors

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

Chromegrove Limited

Report of the director for the year ended 30 June 2004

The director presents his report together with the audited financial statements for the year ended 30 June 2004.

Results and dividends

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

The directors do not recommend the payment of a dividend (2003 - £Nil).

Principal activities, trading review and future developments

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

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

Director

The director of the company throughout the year was D Tannen.

The director does not hold a beneficial interest in the ordinary share capital of the company or its ultimate parent company, D.T.F. Limited (Limited by Guarantee).

Director's responsibilities

Company law requires the director 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 director is 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 director is 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. He is 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.

Chromegrove Limited

Report of the director for the year ended 30 June 2004 (*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 *19/4/2005*

Chromegrove Limited

Report of the independent auditors

To the shareholders of Chromegrove Limited

We have audited the financial statements of Chromegrove Limited for the year ended 30 June 2004 on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of director and auditors

The director's 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 Director's 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 Director's 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 the director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 director 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.

Chromegrove Limited

Report of the independent auditors (*Continued*)

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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Gray Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
London*

27 April 2005

Chromegrove Limited**Profit and loss account for the year ended 30 June 2004**

	Note	2004 £	2003 £
Turnover	1	-	4,500
Administrative expenses		19,537	21,267
Gift aid		13,623	24,088
		<u>(33,160)</u>	<u>(40,855)</u>
Other operating income	1,2	24,414	30,625
Operating loss		<u>(8,746)</u>	<u>(10,230)</u>
Interest receivable and similar income	3	8,746	10,230
Result on ordinary activities before taxation	4	-	-
Taxation charge on result on ordinary activities	5	-	-
Result on ordinary activities after taxation		-	-
Retained profit brought forward		499,016	499,016
Retained profit carried forward		<u>499,016</u>	<u>499,016</u>

All amounts relate to continuing activities.

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

There are 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

Chromegrove Limited**Balance sheet at 30 June 2004**

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Investments	6		2		2
Current assets					
Stocks	7	93,290		81,100	
Debtors	8	471,014		476,649	
Cash at bank and in hand		10,467		12,690	
		<u>574,771</u>		<u>570,439</u>	
Creditors: amounts falling due within one year	9	<u>75,657</u>		<u>71,325</u>	
Net current assets			<u>499,114</u>		<u>499,114</u>
Total assets less current liabilities			<u>499,116</u>		<u>499,116</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			499,016		499,016
Shareholders' funds - equity			<u>499,116</u>		<u>499,116</u>

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 7 to 10 form part of these financial statements

Chromegrove Limited

Notes forming part of the financial statements for the year ended 30 June 2004

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 sales of properties to outside customers, excluding value added tax. Sales are accounted for on exchange of contracts assuming successful completion. Turnover arises in the United Kingdom.

Net rental income

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

Stocks

Stock includes land and other property for development and resale. They are stated at the lower of cost and net realisable value.

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 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 Other operating income

	2004 £	2003 £
Net rental income	24,414	30,625

3 Interest receivable

	2004 £	2003 £
Other interest	8,746	10,230

Chromegrove Limited

Notes forming part of the financial statements for the year ended 30 June 2004 (Continued)

4 Result on ordinary activities before taxation

	2004 £	2003 £
This is arrived at after charging:		
Auditors' remuneration	2,056	2,056

5 Taxation on result from ordinary activities

There is no tax arising in these accounts as no profit was made this year or in the prior year.

6 Investments

	2004 £	2003 £
Investments in subsidiary undertakings at cost		
At beginning and end of year	2	2

The company owns 100% of the issued ordinary share capital of Neonhome Properties Limited, a company registered in England, whose principal activity is that of property development.

As permitted by S228(2) Companies Act 1985, group financial statements have not been prepared as the company is itself a wholly owned subsidiary undertaking of D.T.F. Limited, a company registered in England.

7 Stocks

	2004 £	2003 £
Land and work in progress	93,290	81,100

The freehold and leasehold deeds to the company's stocks are charged to Barclays Bank PLC as security on the liabilities to that bank of the company's ultimate parent company.

Chromegrove Limited

Notes forming part of the financial statements for the year ended 30 June 2004 (Continued)

8 Debtors

	2004 £	2003 £
Amount due from subsidiary undertaking	159,840	190,188
Other debtors	309,538	280,792
Prepayments and accrued income	1,636	5,669
	<u>471,014</u>	<u>476,649</u>

All amounts shown under debtors fall due for payment within one year.

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Amount due to ultimate parent undertaking	13,623	24,088
Corporation tax	35,162	35,162
Other creditors	12,000	-
Accruals and deferred income	14,872	12,075
	<u>75,657</u>	<u>71,325</u>

10 Share capital

	Authorised		Allotted, called up and fully paid	
	2004 £	2003 £	2004 £	2003 £
10,000 Ordinary shares of 1p each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11 Contingent liability

The company has given a limited cross-guarantee in respect of borrowings of its parent company and certain fellow group undertakings to the value of £1,097,000 (2003 - £825,000). At 30 June 2004 the amount outstanding under the cross-guarantee was £Nil (2003 - £Nil).

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 the directors believe the company is 'small' as defined under section 247 of the Companies Act 1985.

Chromegrove Limited

Notes forming part of the financial statements for the year ended 30 June 2004 (Continued)

13 Related party transactions

The company paid a management charge of £17,000 (2003 - £15,000) to David Tannen Services Limited, a related company in which the director has an interest.

The following amounts were due from related companies at 30 June 2004:

Company name	2004 £	2003 £
The Tannen Group Limited	184,500	150,754
David Tannen Services Limited	-	5,000
	<hr/>	<hr/>

The following amount was due to related company:

David Tannen Services Limited	12,000	-
	<hr/>	<hr/>

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 D.T.F. Limited.

14 Ultimate parent company and controlling party

The company is a wholly owned subsidiary undertaking of D.T.F. Limited (Limited by Guarantee), which is controlled by the Trustees D Tannen and J M Miller. Copies of the consolidated financial statements of D.T.F. Limited are available from Companies House.