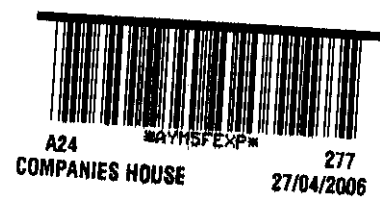


REPORT AND ACCOUNTS

BLUSHES SW3 LIMITED

Company number: 1994671

30 APRIL 2005



BLUSHES SW3 LIMITED

30 APRIL 2005

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BLUSHES SW3 LIMITED30 APRIL 2005OFFICERS AND COMPANY INFORMATION

DIRECTORS: S W R Lynn
T S C Lynn

COMPANY SECRETARY: S W R Lynn

ACCOUNTANTS: Buckle Barton
Chartered Accountants
Sanderson House
Station Road
Horsforth
LEEDS
LS18 5NT

BANKERS: Lloyds TSB Bank Plc
21-22 High Street
Uxbridge
Middlesex
UB8 1JD

REGISTERED OFFICE: Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT

BLUSHES SW3 LIMITED30 APRIL 2005DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 30 April 2005.

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 as at the end of the financial year and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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.

PRINCIPAL ACTIVITY

The company's principal activity during the year was that of a restaurant and is unchanged since last year.

BLUSHES SW3 LIMITED30 APRIL 2005DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors at 30 April 2005 and their interests in the share capital of the company were as follows:

Class of shares	End of year	Start of year
Ordinary shares of £1 each:	No.	No.
S W R Lynn	30,000	15,000
T S C Lynn	-	-

All the above shares were held beneficially.

COMPANIES ACT 1985

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



S W R LYNN
Director



Dated:

BLUSHES SW3 LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 APRIL 2005

		<u>2005</u>	<u>2004</u>
	Notes	£	£
TURNOVER	3	905,025	911,446
Cost of sales		253,412	314,191
		<hr/>	<hr/>
GROSS PROFIT		651,613	597,255
Net operating expenses	4	613,795	620,957
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)	5 - 7	37,818	(23,702)
Income from fixed asset investments and other income	8	66	284
Interest payable and similar charges	9	(13,049)	(13,244)
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		24,835	(36,662)
Tax on profit/(loss) on ordinary activities	10	6,651	(3,047)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		18,184	(33,615)
Dividends	11	27,000	-
		<hr/>	<hr/>
LOSS RETAINED FOR THE YEAR		(8,816)	(33,615)
		<hr/> <hr/>	<hr/> <hr/>

BLUSHES SW3 LIMITEDBALANCE SHEET30 APRIL 2005

		<u>2005</u>	<u>2004</u>
	Notes	£	£
FIXED ASSETS			
Intangible assets	12	1	1
Tangible assets	13	143,357	160,931
		<hr/>	<hr/>
		143,358	160,932
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	14	6,279	3,461
Debtors	15	43,811	74,035
Cash at bank and in hand		300	300
		<hr/>	<hr/>
		50,390	77,796
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(199,753)	(229,102)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(149,363)	(151,306)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		(6,005)	9,626
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	(64,981)	(73,947)
PROVISION FOR LIABILITIES AND CHARGES	19	(5,305)	(3,154)
		<hr/>	<hr/>
NET LIABILITIES		(76,291)	(67,475)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	20/21	30,000	30,000
Revaluation reserve	21	90,142	101,901
Profit and loss account	21	(196,433)	(199,376)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS DEFICIT		(76,291)	(67,475)
		<hr/>	<hr/>

For the year in question, the company was entitled to exemption from an audit under section 249A(1) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- b) preparing accounts which give a true and fair view of the state of affairs of the company, as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).


S W R LYNN
Director

Dated:

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

1. GOING CONCERN

The accounts have been prepared on the going concern basis which assumes the continued support of the bank, the directors and the company's ability to generate positive cash flow. In the opinion of the directors, the going concern basis is appropriate for the preparation of the accounts.

2. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Depreciation

Depreciation is provided on all tangible fixed assets at the following rates on the bases stated:

Leasehold buildings	- over the lease term on cost
Plant and machinery	- 15% p.a. on reducing balance

A full year's depreciation is provided in the year of purchase.

Capital grants

Capital grants are accounted for as deferred income and released to the profit and loss account over the useful economic life of the related assets.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Food and drink - purchase cost on a first in, first out basis.

Goodwill

Positive goodwill is stated at cost less the appropriate amount of accumulated amortisation. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

Operating leases

Operating lease rentals and equivalent hire purchase contracts are charged as an expense in the profit and loss account.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

3. TURNOVER

Turnover represents the fair value of the right to consideration for the full and partial completion of the company's obligations under its contractual arrangements.

	<u>2005</u>	<u>2004</u>
	£	£
4. NET OPERATING EXPENSES		
Administrative expenses	613,795	620,957
	<u> </u>	<u> </u>
5. OPERATING LOSS		
This is stated after charging:		
Depreciation of owned assets	18,382	19,470
	<u> </u>	<u> </u>
6. EMPLOYEE INFORMATION		
Pension cost charge for the year	-	-
	<u> </u>	<u> </u>
7. DIRECTORS' EMOLUMENTS		
Aggregate emoluments including benefits in kind, assets (other than shares) received under long term incentive schemes and aggregate value of any company contributions paid to a money purchase pension scheme.	8,334	41,198
	<u> </u>	<u> </u>
	<u>No.</u>	<u>No.</u>
Number of directors to whom retirement benefits are accruing under money purchase schemes.	-	-
	<u> </u>	<u> </u>
	£	£
8. INCOME FROM FIXED ASSET INVESTMENTS AND OTHER INCOME		
Other interest receivable and similar income	66	284
	<u> </u>	<u> </u>

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

	<u>2005</u>	<u>2004</u>
	£	£
9. INTEREST PAYABLE AND SIMILAR CHARGES		
On bank loans and overdrafts	13,049	11,801
Interest on late payment of taxes	-	183
Interest on rent review	-	1,260
	<hr/>	<hr/>
	13,049	13,244
	<hr/>	<hr/>
10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES		
UK corporation tax:		
Charge/(credit) for the year	4,500	-
Deferred taxation:		
Credit for the year	2,151	(3,047)
	<hr/>	<hr/>
	6,651	(3,047)
	<hr/>	<hr/>
11. DIVIDENDS		
Ordinary -paid	27,000	-
	<hr/>	<hr/>
The above dividend was paid whilst there were insufficient reserves available.		
12. INTANGIBLE FIXED ASSETS		
		Goodwill
		£
Cost:		
At 1 May 2004 and 30 April 2005		126,343
		<hr/>
Amortisation:		
At 1 May 2004 and 30 April 2005		126,342
		<hr/>
Net book value:		
At 30 April 2005		1
		<hr/>
At 30 April 2004		1
		<hr/>

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

13. TANGIBLE FIXED ASSETS

	Leasehold land & buildings	Plant & machinery	Total
	£	£	£
Cost or valuation:			
At 1 May 2004	199,900	183,196	383,096
Additions	-	808	808
	<hr/>	<hr/>	<hr/>
At 30 April 2005	199,900	184,004	383,904
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 May 2004	82,313	139,852	222,165
Provided during the year	11,759	6,623	18,382
	<hr/>	<hr/>	<hr/>
At 30 April 2005	94,072	146,475	240,547
	<hr/>	<hr/>	<hr/>
Net book value:			
At 30 April 2005	105,828	37,529	143,357
	<hr/>	<hr/>	<hr/>
At 30 April 2004	117,587	43,344	160,931
	<hr/>	<hr/>	<hr/>

The leasehold property was revalued at £190,000 on 23 June 1997 at open market value on existing use basis. The valuation was made by Pinders Chartered Surveyors in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. On the implementation of FRS15, the transitional provisions have been followed, whereby the valuation has not been updated.

There were no capital commitments, either authorised or contracted for, at the balance sheet date.

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

		<u>2005</u>	<u>2004</u>
		£	£
14.	STOCKS		
	Food and drink	6,279	3,461
		<u> </u>	<u> </u>
15.	DEBTORS		
	Due within one year:		
	Trade debtors	6,815	1,167
	Other debtors	11,795	38,124
	Prepayments and accrued income	25,201	27,332
	Corporation tax recoverable	-	7,412
		<u> </u>	<u> </u>
		43,811	74,035
		<u> </u>	<u> </u>
16.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Bank loan (secured) (note 17)	8,966	8,336
	Bank overdraft (secured)	70,354	71,970
	Trade creditors	30,195	19,982
	Current corporation tax	4,500	-
	Other taxes and social security costs	37,824	29,844
	Accruals and deferred income	16,596	36,373
	Loans from directors	29,934	59,231
	Other creditors	1,384	3,366
		<u> </u>	<u> </u>
		199,753	229,102
		<u> </u>	<u> </u>

The loans from the directors are interest free with no fixed terms for repayment.

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

	<u>2005</u>	<u>2004</u>
	£	£
17. BANK LOANS		
Amounts repayable within five years	73,947	82,283
	<u> </u>	<u> </u>
The current portion of the loan is shown in current liabilities and amounts to:	8,966	8,336
	<u> </u>	<u> </u>
18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Bank loan (secured) (note 17)	64,981	73,947
	<u> </u>	<u> </u>
19. PROVISION FOR LIABILITIES AND CHARGES		
Taxation, including deferred taxation	5,305	3,154
	<u> </u>	<u> </u>
The balance on deferred taxation is made up of taxation deferred by reason of:		
Capital allowances in advance of depreciation and amortisation	5,305	5,904
Reduction in respect of losses	-	(2,750)
	<u> </u>	<u> </u>
	5,305	3,154
	<u> </u>	<u> </u>
The company's total potential liability to deferred taxation is as follows:		
Balance provided as above	5,305	3,154
Taxation on valuation surplus	21,000	21,000
	<u> </u>	<u> </u>
	26,305	24,154
	<u> </u>	<u> </u>

The potential liability to taxation on valuation surplus will only apply if the asset at valuation is disposed of at the valuation price.

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

		<u>2005</u>	<u>2004</u>	
		£	£	
20.	CALLED UP SHARE CAPITAL			
	Authorised: 50,000 ordinary shares of £1 each	50,000	50,000	
		<hr/>	<hr/>	
	Allotted, issued and fully paid: 30,000 ordinary shares of £1 each	30,000	30,000	
		<hr/>	<hr/>	
21.	RESERVES			
		Called up share capital	Revaluation reserve	Profit & loss account
		£	£	£
	At 1 May 2004	30,000	101,901	(199,376)
	Loss for the year	-	-	(8,816)
	Transfer from revaluation reserve to profit and loss account	-	(11,759)	11,759
		<hr/>	<hr/>	<hr/>
	At 30 April 2005	30,000	90,142	(196,433)
		<hr/>	<hr/>	<hr/>

BLUSHES SW3 LIMITEDNOTES TO THE ACCOUNTS30 APRIL 2005

22. LEASE COMMITMENTS

Operating leases

At 30 April 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	<u>2005</u>		<u>2004</u>	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	-	6,911	-	2,999
Over five years	148,750	-	148,750	-
	<hr/>	<hr/>	<hr/>	<hr/>
	148,750	6,911	148,750	2,999
	<hr/>	<hr/>	<hr/>	<hr/>

The majority of leases of land and buildings are subject to rent reviews.

23. ULTIMATE CONTROLLING PARTY

The company is controlled by S W R Lynn who owns 100% of the ordinary share capital.