

# Citychance Limited

## FINANCIAL STATEMENTS

for the year ended

30 April 2004



Company Registration No. 2556505

# Citychance Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

J G Norman  
R I G Taylor  
D N Frost  
A P Muir

### SECRETARY

J G Norman

### COMPANY NUMBER

2556505 (England and Wales)

### REGISTERED OFFICE

Moreton Yard, Moreton Terrace Mews North  
London  
SW1V 2NT

### AUDITORS

Baker Tilly  
1st Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1JJ

# Citychance Limited

## DIRECTORS' REPORT

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The directors present their report and financial statements of Citychance Limited for the year ended 30 April 2004.

### PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of property management and development.

The directors consider the financial position of the company to be satisfactory.

### DIRECTORS

The following directors have held office since 1 May 2003:-

J G Norman  
R I G Taylor  
D N Frost  
A P Muir

### DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £ 1 each</i>	
	30.4.04	1.5.03
J G Norman	3,345	3,450
R I G Taylor	941	941
D N Frost	1,590	1,590
A P Muir	970	1,170

During the year, the company repurchased 3,838 of its own £1 ordinary shares for a total consideration of £1,113,020. At the time of purchase, this represented 23% of the called up share capital.

### AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Baker Tilly be reappointed as auditors of the company will be put to the Annual General Meeting.

This 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

J G Norman  
Director

3 December 2004



# Citychance Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITYCHANCE LIMITED

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

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 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 Directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read the other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

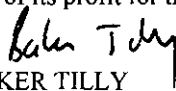
### **Basis of opinion**

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 April 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
BAKER TILLY

Registered Auditor  
Chartered Accountants  
1st Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1JJ

3 December 2004

**Citychance Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 April 2004**

	<i>Notes</i>	2004 £	2003 £
TURNOVER		368,806	348,487
Cost of sales		(416,000)	(300,000)
Gross profit		784,806	648,487
Other operating expenses	1	325,058	209,319
OPERATING PROFIT		459,748	439,168
Investment income	2	42,644	39,152
		502,392	478,320
Interest payable		224	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	502,168	478,320
Taxation	4	144,374	67,078
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		357,794	411,242
Dividends	5	188,246	200,000
RETAINED PROFIT FOR THE YEAR	10	169,548	211,242

The operating profit for the year arises from the company's continuing operations.

# Citychance Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 April 2004

	2004 £	2003 £
Profit for the financial year	357,794	411,242
Unrealised surplus on revaluation of properties	-	2,875,052
Total gains and losses recognised since last financial statements	357,794	3,286,294

## NOTE OF HISTORICAL COST PROFITS AND LOSSES for the year ended 30 April 2004

	2004 £	2003 £
Profit on ordinary activities before taxation	502,168	478,320
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	57,501	-
Historical cost profit on ordinary activities before taxation	559,669	478,320
Historical cost profit for the year retained after taxation and dividends	227,049	211,242

# Citychance Limited

## BALANCE SHEET

30 April 2004

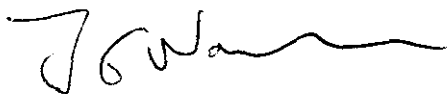
	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>3,918,425</u>	<u>4,000,000</u>
<b>CURRENT ASSETS</b>			
Debtors	7	72,468	9,779
Cash at bank and in hand		<u>213,390</u>	<u>1,619,691</u>
		285,858	1,629,470
CREDITORS: Amounts falling due within one year	8	<u>236,612</u>	<u>718,327</u>
NET CURRENT ASSETS		<u>49,246</u>	<u>911,143</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,967,671</u></u>	<u><u>4,911,143</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	12,829	16,667
Share premium account	10	819,536	1,067,584
Revaluation reserve	10	2,875,052	2,875,052
Other reserves	10	3,838	-
Profit and loss account	10	<u>256,416</u>	<u>951,840</u>
SHAREHOLDERS' FUNDS	11	<u><u>3,967,671</u></u>	<u><u>4,911,143</u></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.

Approved by the board on 3 December 2004

J G Norman

Director





# Citychance Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost or valuation less depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Land and buildings	2% straight line
Plant and machinery	15% straight line

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

### TURNOVER

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Property development income is recognised in the profit and loss account on exchange of contract.

# Citychance Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2004

1. OTHER OPERATING EXPENSES	2004	2003
	£	£
Administrative expenses	325,058	209,319
	<u>          </u>	<u>          </u>
2. INVESTMENT INCOME	2004	2003
	£	£
Bank interest	42,558	35,073
Other interest	86	4,079
	<u>          </u>	<u>          </u>
	42,644	39,152
	<u>          </u>	<u>          </u>
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	81,575	23,848
Auditors' remuneration	6,300	6,000
	<u>          </u>	<u>          </u>
4. TAXATION	2004	2003
	£	£
Domestic current year tax		
U.K. corporation tax	152,055	110,984
Adjustment for prior years	(7,681)	(43,906)
	<u>          </u>	<u>          </u>
Current tax charge	144,374	67,078
	<u>          </u>	<u>          </u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	502,168	478,320
	<u>          </u>	<u>          </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.76% (2003: 23.88%)	129,358	114,223
	<u>          </u>	<u>          </u>
Effects of:		
Non deductible expenses	2,218	4,166
Capital allowances in excess of depreciation	18,587	3,211
Adjustments to previous periods	(7,681)	(43,906)
Provisions tax adjustment	1,892	(10,616)
	<u>          </u>	<u>          </u>
	15,016	(47,145)
	<u>          </u>	<u>          </u>
Current tax charge	144,374	67,078
	<u>          </u>	<u>          </u>

# Citychance Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2004

5. DIVIDENDS	2004	2003
	£	£
Ordinary:		
Interim paid	188,246	200,000

6. TANGIBLE FIXED ASSETS	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Total</i>
	£	£	£
Cost or valuation			
1 May 2003 and 30 April 2004	4,078,725	21,036	4,099,761
Depreciation			
1 May 2003	78,725	21,036	99,761
Charge in the year	81,575	-	81,575
30 April 2004	160,300	21,036	181,336
Net book value			
30 April 2004	3,918,425	-	3,918,425
30 April 2003	4,000,000	-	4,000,000

On an historical cost basis land and buildings would have been included at:

	£
Cost	
1 May 2003 and 30 April 2004	1,203,673
Depreciation based on cost	
1 May 2003	78,725
Charge in the year	24,074
30 April 2004	102,799
Net book value	
30 April 2004	1,100,874
30 April 2003	1,124,948

The freehold land and buildings were revalued by the directors as at 31 March 2003 on the basis of open market value for existing use at £4 million.

# Citychance Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2004

7. DEBTORS	2004	2003
	£	£
Due within one year:		
Trade debtors	49,639	9,779
Other debtors	22,829	-
	<u>72,468</u>	<u>9,779</u>
8. CREDITORS: Amounts falling due within one year	2004	2003
	£	£
Trade creditors	4,381	80,149
Corporation tax	164,678	110,984
Other taxes and social security costs	12,923	6,990
Other creditors	54,630	520,204
	<u>236,612</u>	<u>718,327</u>
9. SHARE CAPITAL	2004	2003
	£	£
Authorised:		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted, issued and fully paid:		
12,829 Ordinary shares of £1 each	<u>12,829</u>	<u>16,667</u>

# Citychance Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2004

### 10. STATEMENT OF MOVEMENT ON RESERVES

	<i>Share premium account</i>	<i>Revaluation reserve</i>	<i>Other reserves (see below)</i>	<i>Profit and loss account</i>
	£	£	£	£
1 May 2003	1,067,584	2,875,052	-	951,840
Retained profit for the year	-	-	-	169,548
Purchase of own shares	-	-	-	(864,972)
Share premium - purchase of own shares	(248,048)	-	-	-
Movement during the year	-	-	3,838	-
30 April 2004	<u>819,536</u>	<u>2,875,052</u>	<u>3,838</u>	<u>256,416</u>
Other reserves				
Capital redemption reserve				
Capital redemption reserve movement			3,838	
30 April 2004			<u>3,838</u>	

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	357,794	411,242
Dividends	(188,246)	(200,000)
	<u>169,548</u>	<u>211,242</u>
Other recognised gains and losses	-	2,875,052
Purchase of own shares	(864,972)	-
Cost of share issue written off to share premium account	(248,048)	-
	<u>(943,472)</u>	<u>3,086,294</u>
Net (depletion in)/addition to shareholders' funds	4,911,143	1,824,849
Opening shareholders' funds	<u>3,967,671</u>	<u>4,911,143</u>
Closing shareholders' funds	<u>3,967,671</u>	<u>4,911,143</u>

### 12. RELATED PARTY TRANSACTIONS

One of the company's tenants is Ovalhouse Ltd, a company of which Mr J G Norman, Mr D N Frost and Mr R I G Taylor are directors and shareholders. Rent of £90,000 (2003: £78,975) was received during the year.

Management fees of £99,700 (2003: £60,020) were paid to Personify Limited, a company of which Mr J G Norman was a director during the year.