
START OPERATIONS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006



START OPERATIONS LIMITED

COMPANY INFORMATION

DIRECTOR	Mr R F Perrin
COMPANY NUMBER	5234208
REGISTERED OFFICE	39 Cambridge Place Cambridge CB2 1NS
AUDITORS	Peters Elworthy & Moore Chartered Accountants & Registered Auditors Salisbury House Station Road Cambridge CB1 2LA

START OPERATIONS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2006

The director presents his report and the financial statements for the year ended 31 March 2006

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable him 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.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was commercial property rental and management.

DIRECTOR

The director who served during the year was

Mr R F Perrin

The company is a wholly owned subsidiary and the interests of the group director are disclosed in the financial statements of the parent company.

PROVISION OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

START OPERATIONS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

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

This report was approved by the board on

20-8-08

and signed on its behalf

Mrs K A Perrin
Secretary



START OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF START OPERATIONS LIMITED

We have audited the financial statements of Start Operations Limited for the year ended 31 March 2006, set out on pages 5 to 10

These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005)

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 Auditors' 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 DIRECTOR AND AUDITORS

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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. We also report to you whether in our opinion the information given in the Director's report is consistent with the financial statements.

In addition we 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 director's remuneration and other transactions 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.

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 judgments 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.

START OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF START OPERATIONS LIMITED

QUALIFIED OPINION ARISING FROM OMISSION OF INFORMATION CONCERNING GOING CONCERN

The company has been unable to obtain or re-negotiate an adequate level of financing to enable the company to meet its short term cash requirements, and so the company continues to be reliant on the support of fellow group companies to meet its day to day cash commitments. The group to which this company belongs is loss-making as a whole. This situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact.

Except for the omission of the information included in the preceding paragraph, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2006 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



PETERS ELWORTHY & MOORE

Chartered Accountants
Registered Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date 11 September 2008

START OPERATIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	2006 £	2005 £
TURNOVER	1	2,771,722	867,236
Cost of sales		(2,757,147)	(757,851)
GROSS PROFIT		14,575	109,385
Administrative expenses		(155,605)	(389,172)
OPERATING LOSS	2	(141,030)	(279,787)
Interest payable		(2,597)	(585)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(143,627)	(280,372)
Tax on loss on ordinary activities		-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	6	(143,627)	(280,372)

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

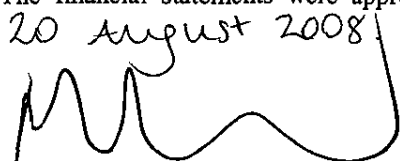
START OPERATIONS LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Note	£	2006 £	£	2005 £
CURRENT ASSETS					
Debtors	3	1,037,564		801,411	
Cash at bank and in hand		1,355		110,238	
		<u>1,038,919</u>		<u>911,649</u>	
CREDITORS: amounts falling due within one year	4	<u>(1,462,916)</u>		<u>(1,192,019)</u>	
NET CURRENT LIABILITIES			<u>(423,997)</u>		<u>(280,370)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(423,997)</u>		<u>(280,370)</u>
CAPITAL AND RESERVES					
Called up share capital	5		2		2
Profit and loss account	6		<u>(423,999)</u>		<u>(280,372)</u>
SHAREHOLDERS' DEFICIT			<u>(423,997)</u>		<u>(280,370)</u>

The financial statements 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 January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 August 2008


Mr R F Perrin
Director

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

START OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.4 OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.7 CONSOLIDATION

In the opinion of the director, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

START OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES (continued)

1.8 GOING CONCERN

As can be seen from the balance sheet, the company has a net deficiency of assets at 31 March 2006. The director is currently in negotiations with the landlord of the three properties that the company leases and the director is hopeful of reaching agreement on lower rentals and a proposal for dealing with rent arrears owed to the landlords. Indications from the landlords suggest that they are prepared to renegotiate the rents payable. Furthermore cashflow forecasts prepared by the directors indicate that the company is expected to achieve positive cash flows in the foreseeable future.

Included within creditors due within one year is an amount of £30,500 owed to other group companies which does not require immediate cash repayment. With the support of its group companies the company has been able to meet its day to day commitments.

On this basis the director considers it is appropriate to prepare the financial statements on the going concern basis.

2. OPERATING LOSS

The operating loss is stated after charging

	2006 £	2005 £
Auditors' remuneration	2,500	2,500
Pension costs	5,802	-
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2005 - £NIL)

3. DEBTORS

	2006 £	2005 £
Trade debtors	248,836	237,800
Amounts owed by group undertakings	746,979	364,178
Other debtors	41,747	199,431
Called up share capital not paid	2	2
	<u> </u>	<u> </u>
	<u>1,037,564</u>	<u>801,411</u>

START OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

4. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts	261,996	-
Trade creditors	255,814	215,807
Amounts owed to group undertakings	30,500	60,625
Social security and other taxes	47,030	18,476
Other creditors	867,576	897,111
	<u>1,462,916</u>	<u>1,192,019</u>

5. SHARE CAPITAL

	2006 £	2005 £
AUTHORISED		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>
ALLOTTED, CALLED UP AND PARTLY PAID		
2 Ordinary shares shares of £1 each	<u>2</u>	<u>2</u>

6. RESERVES

	Profit and loss account £
At 1 April 2005	(280,372)
Loss for the year	(143,627)
At 31 March 2006	<u>(423,999)</u>

7. OPERATING LEASE COMMITMENTS

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006 £	2005 £
EXPIRY DATE:		
Within 1 year	<u>1,350,000</u>	<u>1,350,000</u>

START OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

8. RELATED PARTY TRANSACTIONS

Transactions with fellow subsidiary companies during the year were as follows

As at 31 March 2006 Start Operations Limited was owed £15,000 (2005 £nil) by Start Developments Fareham Limited, was owed £65,756 (2005 £nil) by Start Woolwich Limited, was owed £99,143 (2005 £nil) by Start Developments Oxford Limited, was owed £117,950 (2005 £nil) by Start Fareham Limited and was owed £396,991 (2005 £364,178) by Start Bristol Limited

At 31 March 2006 the company also owed £30,500 (2005 £nil) to Start Developments Woolwich Limited

During the year, the company was provided services by Start Architecture Limited amounting to £140,000 (2005 £nil) As at 31 March 2006, Start Operations Limited was owed £52,138 (2005 £nil) by Start Architecture Limited

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Start International Limited and its ultimate parent company is Start International Group Limited