

ROCK FOUR LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
Company Registration No. 05439122 (England and Wales)



SHELLEY STOCK HUTTER LLP
Chartered Accountants
1st Floor
7 - 10 Chandos Street
London
W1G 9DQ

ROCK FOUR LIMITED

COMPANY INFORMATION

Directors	Mr T J Crawford (Appointed 8 February 2010) Mr T W Andrews
Secretary	Rock Group Secretaries Limited
Company number	05439122
Registered office	5 Harmood Mews Harmood Grove London NW1 8DH
Auditors	Shelley Stock Hutter LLP 1st Floor 7 - 10 Chandos Street London W1G 9DQ
Business address	5 Harmood Mews Harmood Grove London NW1 8DH
Bankers	Bank of Scotland 4th Floor, New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN

ROCK FOUR LIMITED

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ROCK FOUR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company is that of property development

Directors

The following directors have held office since 1 January 2009

Mr P Z Kemsley

(Resigned 28 May 2009)

Mr T J Crawford

(Appointed 8 February 2010)

Mr T W Andrews

Auditors

The auditors, Shelley Stock Hutter LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of 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,
- 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.

ROCK FOUR LIMITED

DIRECTORS' REPORT (CONTINUED)


FOR THE YEAR ENDED 31 DECEMBER 2009

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board


Rock Group Secretaries Limited
Secretary

19/5/2010
Date

ROCK FOUR LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ROCK FOUR LIMITED

We have audited the financial statements of Rock Four Limited for the year ended 31 December 2009 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 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

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion, we have considered whether the company has the ability to continue as a going concern. This is because, as at the balance sheet date, the company's liabilities exceeded assets by £705,196. Details of the circumstances relating to this matter are described in Note 1.1 to the accounts. Our opinion is not qualified in this respect, as the company has the support of its principal creditor, Rock Investment Holdings Limited (in administration). However, Rock Investment Holdings Limited (in administration) is itself dependent on the continued support of its own principal creditor, Bank of Scotland, and negotiations regarding continued support are ongoing. At the present time there is very significant doubt if Rock Four Limited can continue as a going concern.

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.

ROCK FOUR LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ROCK FOUR LIMITED

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



Richard Churchill (Senior Statutory Auditor)
for and on behalf of Shelley Stock Hutter LLP
Chartered Accountants

Statutory Auditor

1st Floor

7 - 10 Chandos Street

London

W1G 9DQ

19/5/2010

Date

ROCK FOUR LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover		1,800,000	-
Cost of sales		(1,037,824)	(1,393,255)
Gross profit/(loss)		762,176	(1,393,255)
Administrative expenses		(13,968)	(6,396)
Other operating income		58,613	127,923
Operating profit/(loss)	2	806,821	(1,271,728)
Investment income	3	-	9,611
Other interest receivable and similar income	3	21	207
Interest payable and similar charges	4	(104,787)	(145,995)
Profit/(loss) on ordinary activities before taxation		702,055	(1,407,905)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the year	9	702,055	(1,407,905)

ROCK FOUR LIMITED

BALANCE SHEET

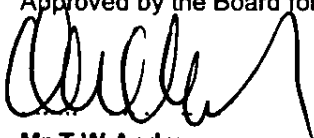
AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
Current assets					
Stocks		-		1,275,000	
Debtors	6	1,748,301		21,293	
Cash at bank and in hand		5,627		113,284	
		<u>1,753,928</u>		<u>1,409,577</u>	
Creditors: amounts falling due within one year	7	<u>(2,459,124)</u>		<u>(2,816,828)</u>	
Total assets less current liabilities			<u>(705,196)</u>		<u>(1,407,251)</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		<u>(705,296)</u>		<u>(1,407,351)</u>
Shareholders' funds			<u>(705,196)</u>		<u>(1,407,251)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on

19/5/2010



Mr T W Andrews
Director

Company Registration No. 05439122

ROCK FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

At the balance sheet date, the company's liabilities exceeded assets by £705,196. On 28th May 2009 the company's ultimate parent company and principal creditor entered administration and negotiations are ongoing with the company's bankers for continuing support. There is therefore uncertainty as to whether the company can continue as a going concern. However the financial statements have been prepared on a going concern basis and the directors are satisfied that there would be no significant differences if prepared on a break up basis, other than the costs associated with the break up of the company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for property dealing and development. Property sales are recognised when there has been an unconditional exchange of contracts.

1.4 Stock

The company's stock comprises trading properties and developments. These assets are included in the accounts at the lower of cost and net realisable value. Cost for this purpose comprises the purchase cost of land and buildings, development expenditure and attributable overheads. Finance costs relating to these properties are recognised in the profit and loss account in the period in which they arise and are not capitalised as part of the cost of the trading property.

1.5 Leasing

Rents receivable under operating leases are credited to income on a straight line basis over the lease term.

1.6 Property purchases

Completion monies due in respect of property purchases are recognised in the accounting period that binding contracts are exchanged.

2	Operating profit/(loss)	2009	2008
		£	£
	Operating profit/(loss) is stated after charging		
	Auditors' remuneration	4,529	1,616

ROCK FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

3	Investment income	2009	2008
		£	£
	Income from shares in group undertakings	-	9,611
	Bank interest	13	207
	Other interest	8	-
		<u>21</u>	<u>9,818</u>
4	Interest payable	2009	2008
		£	£
	Included in interest payable is the following amount		
	On amounts payable to group companies	<u>104,724</u>	<u>99,662</u>
5	Taxation	2009	2008
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>702,055</u>	<u>(1,407,905)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2008 - 28 00%)	<u>196,575</u>	<u>(394,213)</u>
	Effects of		
	Tax losses	(180,157)	396,907
	Group loss relief	(16,418)	-
	Dividends and distributions received	-	(2,694)
		<u>(196,575)</u>	<u>394,213</u>
	Current tax charge	<u>-</u>	<u>-</u>

ROCK FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

6 Debtors	2009 £	2008 £
Trade debtors	1,742,861	19,545
Other debtors	5,440	1,748
	<u>1,748,301</u>	<u>21,293</u>

7 Creditors: amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	-	4,620
Trade creditors	13,862	1,340
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,433,772	2,484,115
Other creditors	11,490	326,753
	<u>2,459,124</u>	<u>2,816,828</u>

Bank loans and overdrafts are secured by a legal charge over the assets of the company

8 Share capital	2009 £	2008 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 January 2009	(1,407,351)
Profit for the year	702,055
Balance at 31 December 2009	<u>(705,296)</u>

ROCK FOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

10 Contingent liabilities

Cross guarantees have been provided by the company for bank borrowings of fellow group companies including loans provided to Rock Investment Holdings Limited (in administration) and Rock Joint Ventures Limited (in administration). The bank borrowings as at 31 December 2009 are £437,472,390 (2008 £386,443,232). The group's bankers have formally demanded all borrowings be repaid.

11 Control

The company is a wholly owned subsidiary of Rock Investment Holdings Limited (in administration), the ultimate parent company was Rapallo Limited until 10th July 2009, when Rock Investment Holdings (in administration) became a wholly owned subsidiary of Rock Joint Ventures Limited (in administration). The ultimate controlling party of Rapallo Limited is Mr J Lewis by virtue of his beneficial majority shareholding in the company. Both Rock Investment Holdings Limited and Rock Joint Ventures Limited entered into administration on 28th May 2009 and since that date there has been no ultimate controlling party of the company.

12 Related party transactions

During the year Rock Investment Holdings Limited (in administration) charged the company interest totalling £104,724 (2008 £99,662). As at the balance sheet the company owed Rock Investment Holdings Limited (in administration) £2,433,772 (2008 £2,484,115).