

# **Bourlion Limited**

## **Report and Financial Statements**

30 April 2005



# Bourlion Limited

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Registered No: 2788272

## **Directors**

Michael Lysaght  
Patrick McElroy

## **Secretary**

Patrick McElroy

## **Auditors**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

## **Bankers**

Barclays Bank plc  
54 Lombard Street  
London  
EC3P 3AH

## **Solicitors**

Brain Chase & Cole  
20/24 Wrote Street  
Basingstoke  
Hampshire

## **Registered office**

c/o Boston Gilmore  
4 Beaconsfield Terrace Road  
Olympia  
London  
W14 0PP

 ERNST & YOUNG

## Directors' report

The directors present their report and financial statements for the year ended 30 April 2005.

### Principal activities

The principal activity of the company during the year was the rental of industrial property.

### Results and dividends

The profit for the year, after taxation, amounted to £666,358. The directors do not recommend payment of a dividend.

### Directors and their interests

The directors at 30 April 2004 and their interests in the share capital of the company were as follows:

	<i>At 30 April 2005 Ordinary shares</i>	<i>At 1 May 2004 Ordinary shares</i>
Michael Lysaght	-	-
Patrick McElroy	5	5

### Post balance sheet events

The company purchased a property on 19 January 2006 to the value of £5,000,000.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the board

  
Secretary

29 May 2006

## **Statement of directors' responsibilities in respect of the financial statements**

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 year. In preparing those financial statements, the directors are 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 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 auditors' report to the members of Bourlion Limited

We have audited the company's financial statements for the year ended 30 April 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 applicable to small companies. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 applicable to small companies. 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

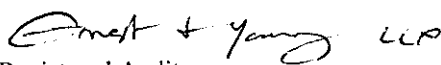
### Basis of audit opinion

We conducted our audit in accordance with 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 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 affairs of the company as at 30 April 2005 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

  
Registered Auditor  
Belfast

Date 29 May 2006

**Profit and loss account**  
for the year ended 30 April 2005

	Notes	Year to 30 Apr 05 £	Year to 30 Apr 04 £
<b>Turnover</b>		725,681	373,609
Administrative expenses		(145,991)	(119,983)
<b>Operating profit</b>	2	579,690	253,626
Profit on disposal of tangible fixed assets		726,304	76,286
Write-off of interest payable		—	100,245
		<u>1,305,994</u>	<u>430,157</u>
Interest receivable	3	25,910	14,325
Interest payable and similar charges		(464,139)	(133,016)
		<u>(438,229)</u>	<u>(118,691)</u>
<b>Profit on ordinary activities before taxation</b>		867,765	311,466
Tax on profit on ordinary activities	4	(201,407)	(48,803)
<b>Profit retained for the financial year</b>	12	<u>666,358</u>	<u>262,663</u>

## Statement of total recognised gains and losses

for the year ended 30 April 2005

	<i>Year to 30 Apr 05 £</i>	<i>Year to 30 Apr 04 £</i>
Profit for the financial year	666,358	262,663
Unrealised surplus on revaluation of certain fixed assets	—	—
Total gains and losses recognised since the last annual report	<u>666,358</u>	<u>262,663</u>

**Balance sheet**

at 30 April 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	5	9,322,477	7,636,030
<b>Current assets</b>			
Debtors	6	596	32,079
Cash at bank		154,450	60,602
		155,046	92,681
<b>Creditors:</b> amounts falling due within one year	7	(2,322,717)	(713,491)
<b>Net current liabilities</b>		(2,167,671)	(620,810)
<b>Total assets less current liabilities</b>		7,154,806	7,015,220
<b>Creditors:</b> amounts falling due after more than one year	8	(4,312,416)	(4,874,871)
<b>Provisions for liabilities and charges:</b> Deferred tax	4	(35,683)	-
		<u>2,806,707</u>	<u>2,140,349</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	2,806,607	2,140,249
<b>Equity shareholders' funds</b>		<u>2,806,707</u>	<u>2,140,349</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).



Director

Date

29th May 2006.



# Notes to the financial statements

at 30 April 2005

## 1. Accounting policies

### **Basis of preparation**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The true and fair view override provisions of the Companies Act 1985 have been invoked, see 'Investment Properties' below.

### **Fixed assets**

All fixed assets are initially recorded at cost.

### **Investment properties**

Investment properties are accounted for in accordance with SSAP 19, as follows:

(i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year; and

(ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

### **Turnover**

Turnover represents rental income receivable net of VAT.

## 2. Operating profit

This is stated after charging/(crediting):

	<i>Year to 30 Apr 05 £</i>	<i>Year to 30 Apr 04 £</i>
Auditors' remuneration - fees	4,000	3,500
Directors' emoluments	—	—

## 3. Interest receivable

	<i>Year to 30 Apr 05 £</i>	<i>Year to 30 Apr 04 £</i>
Bank interest receivable	25,910	14,325
	<u>25,910</u>	<u>14,325</u>

## Notes to the financial statements

at 30 April 2005

### 4. Taxation

	Year to 30 Apr 05 £	Year to 30 Apr 04 £
Current Tax:		
UK corporation tax at 30% (2004 – 30%)	186,908	30,312
Adjustment re prior year	(21,114)	18,491
	<u>165,724</u>	<u>48,803</u>
Deferred Tax:		
Current year deferred tax provision	9,732	–
Adjustment re prior year	25,951	–
	<u>201,407</u>	<u>48,903</u>

### 5. Tangible fixed assets

	Land and Buildings Freehold Property £	Leasehold Property £	Total £
Cost:			
At 1 May 2004	6,754,329	881,701	7,636,030
Additions	4,040,073	–	4,040,073
Disposals	(2,353,626)	–	(2,353,626)
At 30 April 2005	<u>8,440,776</u>	<u>881,701</u>	<u>9,322,477</u>
Impairments:			
At 1 May 2004	–	–	–
Disposal	–	–	–
At 30 April 2005	<u>–</u>	<u>–</u>	<u>–</u>
Net book value:			
At 30 April 2005	<u>8,440,776</u>	<u>881,701</u>	<u>9,322,477</u>
At 1 May 2004	<u>6,754,329</u>	<u>881,701</u>	<u>7,636,030</u>

The historical cost of investment properties included at directors' valuation is £9,322,477 (2004 - £7,636,030). The latest valuation of the properties was carried out by the directors' on 30 April 2004, and the directors' are of the opinion that book value approximates market value.

No depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The directors consider that this accounting policy is necessary for the accounts to give a true and fair view.

## Notes to the financial statements

at 30 April 2005

### 6. Debtors

	2005 £	2004 £
Trade debtors	—	5,354
Other debtors	596	26,725
	<u>596</u>	<u>32,079</u>

### 7. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank term loans (note 9)	1,312,539	581,229
Corporation tax	151,036	30,312
Other creditors (note 10)	697,941	—
Accruals	161,201	101,950
	<u>2,322,717</u>	<u>713,491</u>

### 8. Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank term loans (note 9)	<u>4,312,416</u>	<u>4,874,871</u>

### 9. Bank term loans

	2005 £	2004 £
The bank term loans are repayable as follows:		
Within one year	1,319,332	587,500
Within 1 – 2 years	1,319,332	710,000
Within 2 – 5 years	3,027,140	2,130,000
Over 5 years	—	2,072,500
	<u>5,665,804</u>	<u>5,500,000</u>
Less deferred costs associated with term loan	(40,849)	(43,900)
	<u>5,624,955</u>	<u>5,456,100</u>

The bank term loans are repayable over 7-10 years by equal quarterly instalments with interest based on LIBOR plus a margin. The company has purchased a derivative whereby the interest rate on £4,000,000 of debt is capped at 6%, but with a floor rate of 4.3%. The company has purchased a second derivative whereby £350,000 has a floor rate of 5%. The company has purchased a third derivative whereby £350,000 is capped at 6%.

The loans are secured by a first legal charge over the company's fixed assets, a first fixed charge over all future freehold and leasehold property of the company, a first fixed charge over all book debts and a first floating charge over all the undertaking and assets of the company.

## Notes to the financial statements

at 30 April 2005

### 10. Related party transactions

On 22 June 2004, loan finance has been provided, interest free to the company, £750,000 by Auriga Investments Limited. Auriga Investments Limited is the majority shareholder. At 30 April 2005, the balance outstanding to Auriga Investments Limited was £697,941.

### 11. Share capital

	<i>Authorised</i>	
	2005	2004
	£	£
Ordinary shares of £1 each	100,000	100,000

	<i>Allotted, called up and fully paid</i>	
	2005	2004
	No.	No.
	£	£
Ordinary shares of £1 each	100	100

### 12. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	£	account	holders' funds
	£	£	£
At 1 May 2003	100	1,877,586	1,877,686
Profit for the year	—	262,663	262,663
At 30 April 2004	100	2,140,249	2,140,349
Profit for the year	—	666,358	666,358
At 30 April 2005	100	2,806,607	2,806,707

### 13. Post balance sheet events

The company purchased a property on 19 January 2006 to the value of £5,000,000.

### 14. Parent Undertaking

The parent undertaking of the company is Auriga Investments Limited, a company incorporated in Jersey.