

REGISTERED NUMBER 02767719 (England and Wales)

**CITIB@SE PUBLIC LIMITED COMPANY**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2008**



**CITIB@SE PUBLIC LIMITED COMPANY**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

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**DIRECTORS:**

I H Read  
D M Joseph FRICS  
P C T Warner  
S P Jude

**SECRETARY:**

I H Read

**REGISTERED OFFICE:**

Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HS

**REGISTERED NUMBER:**

02767719 (England and Wales)

**AUDITORS**

Wilkins Kennedy  
Chartered Accountants  
and Registered Auditor  
Gladstone House  
77 - 79 High Street  
Egham, Surrey  
TW20 9HY

**THE BOARD'S STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2008**

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The Board are pleased to report a return to profitability in the year to February 2008. Turnover has increased by 15%, to £10.13million. The EBITDA for the year was £929,199 and the profit before tax was £641,364 which was an increase of £1,195,455 over last year's figure.

This performance is as a result of the changes, made by the new management team, to the operating structure of the business which made the organisation more responsive to customer requirements and improved the sales capability. The optimisation of the workstations on offer and their pricing has still not been fully effected. The considerable potential increases in the revenue earning potential of the centres are expected to continue enhancing revenues over some time to come. In addition further potential operating efficiencies have been identified by the management team.

The centres are in the process of being rebranded under the "Freedom at Work" banner. This is expected to further enhance the appeal of the company's services.

Active consideration is now being given to increasing the size of the business to increase the benefits from optimisation and operational efficiencies. This is likely to be achieved by taking on the operation of existing centres primarily focussed on those in buildings not attractive to single large occupiers but suited to our business and customer base.

The focus on customers characterised as cost conscious SMEs leads the Board to believe that the company can benefit from uncertainties in the economy as our offering allows our clients to be agile in responding to their various market challenges.

The Board would like to thank the Company's staff for their continued dedication and hard work looking after the Company's customers, who we also thank for their continued support.

CITIB@SE PUBLIC LIMITED COMPANY

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 28 FEBRUARY 2008

The directors present their report with the financial statements of the company for the year ended 28 February 2008

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of management and providing serviced office accommodation

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

**DIVIDENDS**

No dividends will be distributed for the year ended 28 February 2008

**DIRECTORS**

The directors set out in the table below have held office during the whole of the period from 1 March 2007 to the date of this report unless otherwise stated

The beneficial interests of the directors holding office at 28 February 2008 in the shares of the company, according to the register of directors' interests, were as follows

	28 2 08	1 3 07 or date of appointment if later
<b>Ordinary shares of £1 each</b>		
I H Read	-	25,000
D M Joseph FRICS	-	25,000
P C T Warner	-	-
S P Jude - appointed 27 6 2007	-	-
<b>Ordinary A shares of 1p each</b>		
I H Read	25,000	-
D M Joseph FRICS	25,000	-
P C T Warner	-	-
S P Jude	-	-
<b>A Preference shares of 99p each</b>		
I H Read	25,000	-
D M Joseph FRICS	25,000	-
P C T Warner	-	-
S P Jude	-	-
<b>Ordinary B shares of 1p each</b>		
I H Read	-	-
D M Joseph FRICS	-	-
P C T Warner	-	-
S P Jude	1,000	-

These directors did not hold any non-beneficial interests in any of the shares of the company

In addition to the shareholdings listed above, as at 28 February 2008 Cardiff and Provincial Properties Limited held 8,824 Ordinary A shares of 1p each and 8,824 A Preference shares of 99p each Cardiff and Provincial Properties Limited is a subsidiary of Warner Estate Holdings Plc, of which P C T Warner is the Chairman

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 28 FEBRUARY 2008

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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). 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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.

The directors are also required to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.


**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Wilkins Kennedy, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



I H Read - Secretary

Date 27<sup>th</sup> May 2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
CITIB@SE PUBLIC LIMITED COMPANY**

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We have audited the financial statements of Citib@se Public Limited Company for the year ended 28 February 2008 on pages seven to nineteen. These financial statements have been prepared under the accounting policies set out therein.

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 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 on page four.

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 Report of the Directors 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 directors' remuneration and other transactions is not disclosed.

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

**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 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.

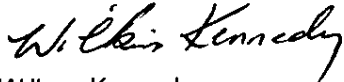
REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
CITIB@SE PUBLIC LIMITED COMPANY

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**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Wilkins Kennedy  
Chartered Accountants  
and Registered Auditor  
Gladstone House  
77 - 79 High Street  
Egham, Surrey  
TW20 9HY

29 May 2008

**CITIB@SE PUBLIC LIMITED COMPANY**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 28 FEBRUARY 2008**

	Notes	2008 £	2007 £
<b>TURNOVER</b>	2	<b>10,131,864</b>	8,779,462
Administrative expenses		<u>(9,546,058)</u>	<u>(9,346,712)</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	<b>585,806</b>	(567,250)
Interest receivable		<u>65,072</u>	<u>30,188</u>
		<b>650,878</b>	(537,062)
Interest payable	5	<u>(9,514)</u>	<u>(17,029)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>641,364</b>	(554,091)
Tax on profit/(loss) on ordinary activities	6	<u>(55,399)</u>	<u>9,565</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><b>585,965</b></u>	<u>(544,526)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements



## CITIB@SE PUBLIC LIMITED COMPANY

BALANCE SHEET  
28 FEBRUARY 2008

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	7	1,845,185	1,945,184
<b>CURRENT ASSETS</b>			
Debtors	8	792,955	824,850
Cash at bank		<u>2,226,758</u>	<u>1,023,842</u>
		3,019,713	1,848,692
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(4,049,455)</u>	<u>(3,487,139)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,029,742)</u>	<u>(1,638,447)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		815,443	306,737
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(24,696)	(76,513)
<b>PROVISIONS FOR LIABILITIES</b>	14	<u>(104,112)</u>	<u>(129,564)</u>
<b>NET ASSETS</b>		<u>686,635</u>	<u>100,660</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	58,834	58,824
Share premium	16	241,176	241,176
Profit and loss account	16	<u>386,625</u>	<u>(199,340)</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u>686,635</u>	<u>100,660</u>

The financial statements were approved by the Board of Directors on  
were signed on its behalf by

27<sup>th</sup> May 2008 and

  
Director

The notes form part of these financial statements

**CITIB@SE PUBLIC LIMITED COMPANY**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2008**

	Notes	2008 £	2007 £
<b>Net cash inflow from operating activities</b>	<b>1</b>	<b>1,433,052</b>	<b>614,673</b>
<b>Returns on investments and servicing of finance</b>	<b>2</b>	<b>55,558</b>	<b>13,159</b>
<b>Taxation</b>		<b>-</b>	<b>(18,540)</b>
<b>Capital expenditure</b>	<b>2</b>	<b><u>(225,783)</u></b>	<b><u>(398,623)</u></b>
		<b>1,262,827</b>	<b>210,669</b>
<b>Financing</b>	<b>2</b>	<b><u>(59,911)</u></b>	<b><u>(59,657)</u></b>
<b>Increase in cash in the period</b>		<b><u>1,202,916</u></b>	<b><u>151,012</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>3</b>		
Increase in cash in the period		<b>1,202,916</b>	<b>151,012</b>
Cash outflow from decrease in debt and lease financing		<b><u>59,920</u></b>	<b><u>59,657</u></b>
Change in net funds resulting from cash flows		<b><u>1,262,836</u></b>	<b><u>210,669</u></b>
<b>Movement in net funds in the period</b>		<b>1,262,836</b>	<b>210,669</b>
<b>Net funds at 1 March</b>		<b><u>887,734</u></b>	<b><u>677,065</u></b>
<b>Net funds at 28 February</b>		<b><u>2,150,570</u></b>	<b><u>887,734</u></b>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2008**

**1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating profit/(loss)	585,806	(567,250)
Depreciation charges	325,782	294,519
Decrease/(Increase) in debtors	13,355	(115,738)
Increase in creditors	<u>508,109</u>	<u>1,003,142</u>
<b>Net cash inflow from operating activities</b>	<b><u>1,433,052</u></b>	<b><u>614,673</u></b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2008 £	2007 £
<b>Returns on investments and servicing of finance</b>		
Interest received	65,072	30,188
Interest paid	<u>(9,514)</u>	<u>(17,029)</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>55,558</u></b>	<b><u>13,159</u></b>
 <b>Capital expenditure</b>		
Purchase of tangible fixed assets	<u>(225,783)</u>	<u>(398,623)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(225,783)</u></b>	<b><u>(398,623)</u></b>
 <b>Financing</b>		
Loan repayments in year	(50,549)	(48,079)
Capital repayments in year	(9,372)	(11,578)
Share issue	<u>10</u>	<u>-</u>
<b>Net cash outflow from financing</b>	<b><u>(59,911)</u></b>	<b><u>(59,657)</u></b>

The notes form part of these financial statements

CITIB@SE PUBLIC LIMITED COMPANY

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2008

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 3.07 £	Cash flow £	At 28 2.08 £
Net cash			
Cash at bank	<u>1,023,842</u>	<u>1,202,916</u>	<u>2,226,758</u>
	<u>1,023,842</u>	<u>1,202,916</u>	<u>2,226,758</u>
Debt			
Hire purchase	(10,727)	9,372	(1,355)
Debts falling due within one year	(50,137)	-	(50,137)
Debts falling due after one year	<u>(75,244)</u>	<u>50,548</u>	<u>(24,696)</u>
	<u>(136,108)</u>	<u>59,920</u>	<u>(76,188)</u>
Total	<u>887,734</u>	<u>1,262,836</u>	<u>2,150,570</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2008**

**1 ACCOUNTING POLICIES****Accounting convention**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Improvements to property	- straight line over period of the lease
Fixtures and fittings	- 15% on reducing balance

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**2 TURNOVER**

The turnover and profit (2007 - loss) before taxation are attributable to the one principal activity of the company.

Management fee income from profit related management contracts included in the company's turnover is £59,439 (2007 - £137,545) and turnover relating to the company's own provision of serviced office accommodation is £10,072,425 (2007 - £8,641,917). The total turnover managed by the company is £10.89m (2007 - £9.56m).

**3 STAFF COSTS**

	2008	2007
	£	£
Wages and salaries	2,024,786	1,849,946
Social security costs	193,971	207,439
	<u>2,218,757</u>	<u>2,057,385</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

**3 STAFF COSTS - continued**

The average monthly number of employees during the year was as follows

	2008	2007
Directors	3	3
Sales and administration	<u>78</u>	<u>86</u>
	<u>81</u>	<u>89</u>

**4 OPERATING PROFIT/(LOSS)**

The operating profit (2007 - operating loss) is stated after charging

	2008 £	2007 £
Depreciation - owned assets	320,388	288,329
Depreciation - assets on hire purchase contracts	5,394	6,190
Auditors' remuneration	<u>12,400</u>	<u>19,571</u>
Directors' emoluments	<u>189,000</u>	<u>127,015</u>

**5 INTEREST PAYABLE**

	2008 £	2007 £
Bank interest	<u>9,514</u>	<u>17,029</u>

All of the above interest was in relation to liabilities falling due within five years

**6 TAXATION****Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2008 £	2007 £
Current tax		
UK corporation tax	80,851	-
UK corporation tax prior year	<u>-</u>	<u>(18,540)</u>
Total current tax	80,851	(18,540)
Deferred tax	<u>(25,452)</u>	<u>8,975</u>
Tax on profit/(loss) on ordinary activities	<u>55,399</u>	<u>(9,565)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

**6 TAXATION - continued****Factors affecting the tax charge/(credit)**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2008 £	2007 £
Profit/(loss) on ordinary activities before tax	<u>641,364</u>	<u>(554,091)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 19%)	192,409	(105,277)
Effects of		
Disallowed expenses	2,842	-
Reversal of accelerated capital allowances	24,087	-
Utilisation of losses	(109,869)	86,737
Small companies marginal rate	<u>(28,618)</u>	<u>-</u>
Current tax charge/(credit)	<u>80,851</u>	<u>(18,540)</u>

**7 TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 March 2007	1,644,551	2,205,144	3,849,695
Additions	<u>42,383</u>	<u>183,400</u>	<u>225,783</u>
At 28 February 2008	<u>1,686,934</u>	<u>2,388,544</u>	<u>4,075,478</u>
<b>DEPRECIATION</b>			
At 1 March 2007	541,978	1,362,533	1,904,511
Charge for year	<u>170,663</u>	<u>155,119</u>	<u>325,782</u>
At 28 February 2008	<u>712,641</u>	<u>1,517,652</u>	<u>2,230,293</u>
<b>NET BOOK VALUE</b>			
At 28 February 2008	<u>974,293</u>	<u>870,892</u>	<u>1,845,185</u>
At 28 February 2007	<u>1,102,573</u>	<u>842,611</u>	<u>1,945,184</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

**7 TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	<b>Fixtures and fittings £</b>
<b>COST</b>	
At 1 March 2007	<b>29,453</b>
Transfer to ownership	<b>(13,038)</b>
At 28 February 2008	<b><u>16,415</u></b>
<b>DEPRECIATION</b>	
At 1 March 2007	<b>12,112</b>
Charge for year	<b>5,394</b>
Transfer to ownership	<b>(7,538)</b>
At 28 February 2008	<b><u>9,968</u></b>
<b>NET BOOK VALUE</b>	
At 28 February 2008	<b><u>6,447</u></b>
At 28 February 2007	<b><u>17,341</u></b>

**8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	<b>28,731</b>	115,522
Other debtors	<b>80</b>	1,108
Corporation Tax recoverable	<b>-</b>	18,540
Accrued income	<b>189,474</b>	173,956
Prepayments	<b><u>574,670</u></b>	<u>515,724</u>
	<b><u>792,955</u></b>	<u>824,850</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2008 £</b>	<b>2007 £</b>
Bank loans and overdrafts (see note 11)	<b>50,137</b>	50,137
Hire purchase contracts (see note 12)	<b>1,355</b>	9,458
Trade creditors	<b>1,415,217</b>	1,233,179
Deposits	<b>1,567,927</b>	1,496,494
Corporation tax	<b>62,310</b>	-
Other taxes and social security	<b>251,479</b>	168,966
Other creditors	<b>1,860</b>	2,980
Deferred income	<b>18,574</b>	28,215
Accrued expenses	<b><u>680,596</u></b>	<u>497,710</u>
	<b><u>4,049,455</u></b>	<u>3,487,139</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

**10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2007 £
Bank loans (see note 11)	24,696	75,244
Hire purchase contracts (see note 12)	-	1,269
	<u>24,696</u>	<u>76,513</u>

**11 LOANS**

An analysis of the maturity of loans is given below

	2008 £	2007 £
Amounts falling due within one year or on demand Bank loans	<u>50,137</u>	<u>50,137</u>
Amounts falling due between one and two years Bank loans - 1-2 years	<u>24,696</u>	<u>51,737</u>
Amounts falling due between two and five years Bank loans - 2-5 years	<u>-</u>	<u>23,507</u>

**12 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	2008 £	2007 £
		Hire purchase contracts
Net obligations repayable		
Within one year	1,355	9,458
Between one and five years	<u>-</u>	<u>1,269</u>
	<u>1,355</u>	<u>10,727</u>

The following operating lease payments are committed to be paid within one year

	2008 £	2007 £
		Land and buildings
Expiring		
Between one and five years	558,000	558,000
In more than five years	<u>1,554,409</u>	<u>1,554,409</u>
	<u>2,112,409</u>	<u>2,112,409</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

**13 SECURED DEBTS**

The following secured debts are included within creditors

	2008	2007
	£	£
Bank loans	74,833	125,381
Hire purchase contracts	<u>1,355</u>	<u>10,727</u>
	<u><b>76,188</b></u>	<u><b>136,108</b></u>

The bank loan is secured by a debenture over the assets of the company

**14 PROVISIONS FOR LIABILITIES**

	2008	2007
	£	£
Deferred tax	<u><b>104,112</b></u>	<u><b>129,564</b></u>
		<b>Deferred</b>
		<b>tax</b>
		<b>£</b>
Balance at 1 March 2007		<b>129,564</b>
Accelerated capital allowances		<u><b>(25,452)</b></u>
Balance at 28 February 2008		<u><b>104,112</b></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

**15 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value £1	2008 £	2007 £
NIL	Ordinary	£1	-	58,824
(2007 - 58,824)				
58,824	Ordinary A	1p	588	-
58,824	A Preference	99p	58,236	-
1,000	Ordinary B	1p	10	-
			<u>58,834</u>	<u>58,824</u>

Allotted, issued and fully paid Number	Class	Nominal value £1	2008 £	2007 £
NIL	Ordinary	£1	-	58,824
(2007 - 58,824)				
58,824	Ordinary A	1p	588	-
58,824	A Preference	99p	58,236	-
			<u>58,824</u>	<u>58,824</u>

Allotted and issued Number	Class	Nominal value 1p	2008 £	2007 £
1,000	Ordinary B	1p	10	-

The following shares were issued during the year for cash at par

1,000 Ordinary B shares of 1p

**16 RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 March 2007	(199,340)	241,176	41,836
Profit for the year	<u>585,965</u>		<u>585,965</u>
At 28 February 2008	<u>386,625</u>	<u>241,176</u>	<u>627,801</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2008**

**17 RELATED PARTY DISCLOSURES**

During the year, rent was paid to Echoback Limited of £260,000 (2007 - £260,000), a company in which I H Read and D Joseph have a controlling interest

The company also paid management charges amounting to £12,231 (2007 - £10,890) to Ashtenne Asset Management Limited, a subsidiary of Warner Estates Holdings Plc, a company of which P C T Warner is chairman. Warner Estates Holdings Plc is the beneficial owner of Ashtenne Asset Management Limited

Also included in management charges is £18,000 (2007 - £9,000) paid to Barnship Limited and £18,000 (2007 - £9,000) paid to David Joseph Property Consultants Limited for professional services provided during the year. These companies are related as a consequence of having common directors

**18 ULTIMATE CONTROLLING PARTY**

The company has no ultimate controlling party

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008	2007
	£	£
Profit/(Loss) for the financial year	<b>585,965</b>	(544,526)
Issue of ordinary B share capital	<u>10</u>	<u>-</u>
<b>Net addition/(reduction) to shareholders' funds</b>	<b>585,975</b>	(544,526)
Opening shareholders' funds	<u>100,660</u>	<u>645,186</u>
<b>Closing shareholders' funds</b>	<u><b>686,635</b></u>	<u>100,660</u>