

Zonespan Limited

Financial statements

For the year ended 31 December 2004

Grant Thornton 



Company No. 2855397

Company information

Company registration number

2855397

Registered office

Hills Lane
BIGGLESWADE
Bedfordshire
SG18 9AY

Directors

J D Dell
W P Morris
J A Watts

Secretary

J D Dell

Bankers

Barclays Bank plc
45 High Street
BIGGLESWADE
Bedfordshire
SG18 0JF

Auditors

Grant Thornton UK LLP
Chartered Accountants
Registered Auditors
Byron House
Cambridge Business Park
Cowley Road
CAMBRIDGE
CB4 0WZ

Index

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 13

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2004.

Principal activities and business review

The company did not trade during the year. There has been no income and expenditure and no change has arisen in the position of the company. Any expenses have been met by the parent company.

There was no profit or loss relating to the year (2003: retained loss of £741,858).

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

J D Dell
W P Morris
J A Watts

None of the directors held shares in the company during the year.

The interests of the directors, who are all directors of the parent undertaking, South West Golf Limited, are disclosed in that company's financial statements.

Directors' responsibilities

United Kingdom 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 at the end of the year and of the profit or loss for the year then ended. 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
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

J D Dell

Director

.....

22 August 2005

A handwritten signature in black ink, appearing to be 'J D Dell', written over a dotted line.

Report of the independent auditors to the members of Zonespan Limited

We have audited the financial statements of Zonespan Limited for the year ended 31 December 2004 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 13. 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 report of the directors and the financial statements in accordance with United Kingdom law and 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 report of the directors 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 other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. 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 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.

Report of the independent auditors to the members of Zonespan Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP
GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
CAMBRIDGE

..... 22 August 2005.

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Profit and loss account

	Note	2004 £	2003 £
Turnover	1	—	1,336,768
Cost of sales		—	917,744
Gross profit		—	419,024
Other operating charges	2	—	377,091
Operating profit	3	—	41,933
Interest receivable and similar income		—	1,013
Interest payable and similar charges	6	—	(5,328)
Profit on ordinary activities before taxation		—	37,618
Tax on profit on ordinary activities	7	—	8,300
Profit on ordinary activities after taxation		—	29,318
Dividends	8	—	771,176
Loss for the financial year	12	—	(741,858)

All of the activities of the company are classed as continuing.

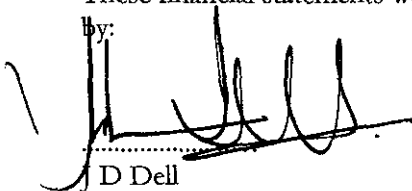
The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2004 £	2003 £
Current assets			
Debtors	9	<u>1,000</u>	<u>1,000</u>
Total assets		<u>1,000</u>	<u>1,000</u>
Capital and reserves			
Called-up equity share capital	11	<u>1,000</u>	<u>1,000</u>
Shareholders' funds	13	<u>1,000</u>	<u>1,000</u>

These financial statements were approved by the directors on 22/8/05 and are signed on their behalf

by:


D Dell

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2004 £	2003 £
United Kingdom	<u>-</u>	<u>1,336,768</u>

2 Other operating income and charges

	2004 £	2003 £
Administrative expenses	<u>-</u>	<u>377,091</u>

3 Operating profit

Operating profit is stated after charging:

	2004 £	2003 £
Amortisation	-	1,050
Depreciation of owned fixed assets	-	30,689
Auditors' remuneration:		
Audit fees	<u>-</u>	<u>3,200</u>

4 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2004 No	2003 No
Number of production staff	-	13
Number of administrative staff	<u>-</u>	<u>1</u>
	-	14

The aggregate payroll costs of the above were:

	2004 £	2003 £
Wages and salaries	-	202,809
Social security costs	-	15,996
Other pension costs	-	6,416
	<u>-</u>	<u>225,221</u>

5 Directors

Remuneration in respect of directors was as follows:

	2004	2003
	£	£
Emoluments receivable	—	28,292
Value of company pension contributions to money purchase schemes	—	1,329
	<u>—</u>	<u>29,621</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>—</u>	<u>2</u>

6 Interest payable and similar charges

	2004	2003
	£	£
Other similar charges	<u>—</u>	<u>5,328</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - 19%)	—	8,300
Total current tax	<u>—</u>	<u>8,300</u>

(b) Factors affecting current tax charge

	2004	2003
	£	£
Profit on ordinary activities before taxation	<u>—</u>	<u>37,618</u>
Profit/(loss) multiplied by the standard rate of taxation	—	7,147
Expenses not deductible for tax purposes	—	11,538
Capital allowances for period in excess of depreciation	—	(8,971)
Other timing differences	—	(5,214)
General provision transferred on hive up	—	3,800
Total current tax (note 7(a))	<u>—</u>	<u>8,300</u>

8 Dividends

No dividend has been recommended for the for the year ended 31 December 2004 (2003: £771,176).

9 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	<u>1,000</u>	<u>1,000</u>

10 Related party transactions

During the year, the company traded with South West Golf Limited, its ultimate parent undertaking. These transactions comprise recharges for services provided and stock transfers between sites. Zonespan Limited charged South West Golf Limited £nil (2003: £31,433) during the year, and was charged £nil (2003: £52,148) by South West Golf Limited. At the year end South West Golf Limited owed Zonespan Limited £1,000 (2003: £1,000).

During the period to 31 March 2004 the company leased a property from Redtarn Investments Limited, a company controlled by two of the directors of the company. The terms of the lease were negotiated at arms length and at market value.

The company also traded with Page & Watts Limited, a company controlled by a director of the company. These transactions were under normal trading terms and at market price. During the year, Page & Watts Limited charged the company £nil (2003: £2,957) for repair and maintenance work carried out and £nil (2003: £3,801) for work of a capital nature. At the year end, there was no balance outstanding.

11 Share capital

Authorised share capital:

	2004 £	2003 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

12 Profit and loss account

	2004 £	2003 £
Balance brought forward	—	741,858
Accumulated loss for the financial year	—	(741,858)
Balance carried forward	<u>—</u>	<u>—</u>

13 Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
Profit for the financial year	—	29,318
Dividends	—	(771,176)
	—	(741,858)
Opening shareholders' equity funds	<u>1,000</u>	<u>742,858</u>
Closing shareholders' equity funds	<u>1,000</u>	<u>1,000</u>