

Company Registration No. 2978673 (England and Wales)

**NUMBER TEN GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 29 AUGUST 2004**



# NUMBER TEN GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P. L. Williams M. J. Cross
<b>Secretary</b>	J Saville
<b>Company number</b>	2978673
<b>Registered office</b>	10 Barnard Road Bowthorpe Norwich Norfolk NR5 9JB
<b>Auditors</b>	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ
<b>Business address</b>	10 Barnard Road Bowthorpe Norwich Norfolk NR5 9JB
<b>Bankers</b>	HSBC Plc 31 Chequers Street St. Albans Hertfordshire AL1 1TT
<b>Solicitors</b>	Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL

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# NUMBER TEN GROUP LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 14

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# NUMBER TEN GROUP LIMITED

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 29 AUGUST 2004**

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The directors present their report and financial statements for the period ended 29 August 2004.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of a holding company and management of the group.

The directors are disappointed with the results for the year.

### **Results and dividends**

The results for the period are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

### **Directors**

The following directors have held office since 1 September 2003:

P. L. Williams

J. D. Williams

(Resigned 22 July 2005)

M. J. Cross

### **Directors' interests**

The interests of P. Williams, who is also a director of the ultimate parent company, are disclosed in the accounts of the ultimate parent company, Sanford Investments Limited.

M. Cross held an interest of 346 class B ordinary shares in Number Ten Group Limited during the year.

None of the other directors had an interest in the shares of any group undertakings.

### **Taxation status**

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### **Auditors**

On 1 June 2005 Goodman Jones, the company's auditors, transferred its business to Goodman Jones LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly, Goodman Jones resigned as auditors on 10 June 2005 and the directors appointed Goodman Jones LLP as its successor. A resolution to reappoint Goodman Jones LLP as auditors will be proposed at the next Annual General Meeting.

# NUMBER TEN GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

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### Directors' responsibilities

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 period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

On behalf of the board



.....  
P. L. Williams

Director

Date: 17/10/05  
.....

# NUMBER TEN GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NUMBER TEN GROUP LIMITED

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We have audited the financial statements of Number Ten Group Limited on pages 4 to 14 for the period ended 29 August 2004. These financial statements have been prepared under the historical cost convention and 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 auditor's 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 the directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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. 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**

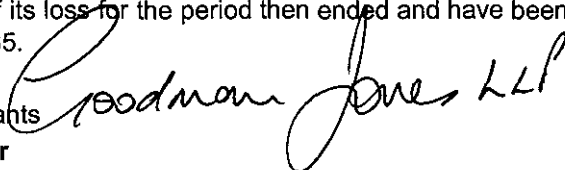
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 the company's affairs as at 29 August 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
**Registered Auditor**



17th October 2005  
**Goodman Jones LLP**  
29/30 Fitzroy Square  
W1T 6LQ

# NUMBER TEN GROUP LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 29 AUGUST 2004

		52 Weeks ended 29 August 2004 £	52 Weeks ended 31 August 2003 £
	Notes		
Turnover	2	43,353	208,631
Administrative expenses		(940,876)	(829,281)
Other operating income		770,000	701,598
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(127,523)</b>	<b>80,948</b>
Other interest receivable and similar income		2	-
Interest payable and similar charges	5	(61,903)	(82,381)
<b>Loss on ordinary activities before taxation</b>		<b>(189,424)</b>	<b>(1,433)</b>
Tax on loss on ordinary activities	6	310	-
<b>Loss on ordinary activities after taxation</b>	<b>14</b>	<b>(189,114)</b>	<b>(1,433)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

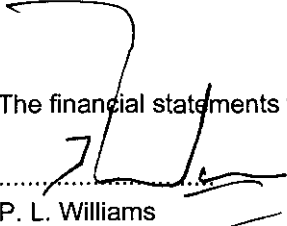
There are no recognised gains and losses other than those passing through the profit and loss account.

# NUMBER TEN GROUP LIMITED

## BALANCE SHEET AS AT 29 AUGUST 2004

	Notes	2004		2003	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		99,632		68,292
Investments	8		666,980		666,980
			<u>766,612</u>		<u>735,272</u>
<b>Current assets</b>					
Stocks	9	29,416		-	
Debtors: amounts falling due within one year	10	123,959		74,398	
Debtors: amounts falling due after more than one year	10	8,276,213		8,387,232	
		<u>8,429,588</u>		<u>8,461,630</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(471,047)</u>		<u>(235,087)</u>	
<b>Net current assets</b>			7,958,541		8,226,543
<b>Total assets less current liabilities</b>			8,725,153		8,961,815
<b>Creditors: amounts falling due after more than one year</b>	12		(8,104,958)		(8,152,196)
<b>Provisions for liabilities and charges</b>			-		(310)
			<u>620,195</u>		<u>809,309</u>
<b>Capital and reserves</b>					
Called up share capital	13		53,462		53,462
Share premium account	14		726,365		726,365
Profit and loss account	14		(159,632)		29,482
<b>Shareholders' funds</b>	15		<u>620,195</u>		<u>809,309</u>
Equity interests			568,983		758,097
Non-equity interests			51,212		51,212
			<u>620,195</u>		<u>809,309</u>

The financial statements were approved by the Board on 17/10/05

  
P. L. Williams  
Director



# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 AUGUST 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% Straight line
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

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

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Sanford Investments Limited, a company incorporated in the United Kingdom, and is included in the consolidated accounts of that company.

# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating (loss)/profit	2004 £	2003 £
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	27,288	13,296
	Operating lease rentals	9,617	7,815
	Auditors' remuneration	3,250	3,250

4	Investment income	2004 £	2003 £
	Bank interest	2	-

5	Interest payable	2004 £	2003 £
	On bank loans and overdrafts	61,281	82,381
	Hire purchase interest	622	-
		61,903	82,381

# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

6	Taxation	2004 £	2003 £
	<b>Current tax charge</b>	-	-
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(310)	-
	<b>Factors affecting the tax charge for the period</b>		
	Loss on ordinary activities before taxation	(189,424)	(1,433)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	(35,991)	(272)
	Effects of:		
	Non deductible expenses	4,361	1,594
	Depreciation add back	5,185	2,526
	Capital allowances	-	(3,865)
	Tax losses utilised	26,445	17
		35,991	272
	<b>Current tax charge</b>	-	-

The company has estimated losses of £ 213,677 (2003: £ 76,011) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

### 7 Tangible fixed assets

	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 September 2003	73,169	3,621	6,075	82,865
Additions	58,628	-	-	58,628
At 29 August 2004	131,797	3,621	6,075	141,493
<b>Depreciation</b>				
At 1 September 2003	10,636	809	3,128	14,573
Charge for the period	26,092	422	774	27,288
At 29 August 2004	36,728	1,231	3,902	41,861
<b>Net book value</b>				
At 29 August 2004	95,069	2,390	2,173	99,632
At 31 August 2003	62,533	2,812	2,947	68,292

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 29 August 2004	-
At 31 August 2003	2,947
<b>Depreciation charge for the period</b>	
At 29 August 2004	-
At 31 August 2003	1,519

# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

### 8 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 September 2003 & at 29 August 2004	666,980

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Number Ten Norwich Limited	England	£1 ordinary	100
Solar Bowl (Ipswich) Limited	England	10p ordinary	100
Superskate Rollerinks	England	£1 ordinary	100
Number Ten Romford Limited	England	£1 ordinary	100
Number Ten Rugby Limited	England	£1 ordinary	100
Number Ten Braintree Limited	England	£1 ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
Number Ten Norwich Limited	2,269,498	149,048
Solar Bowl (Ipswich) Limited	2,517,696	213,860
Superskate Rollerinks	(25,284)	(28,311)
Number Ten Romford Limited	1,695,083	361,348
Number Ten Rugby Limited	(610,815)	(315,983)
Number Ten Braintree Limited	(136,528)	20,432

9 Stocks	2004 £	2003 £
Finished goods and goods for resale	29,416	-

# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

10 Debtors	2004 £	2003 £
Trade debtors	885	-
Amounts owed by subsidiary undertakings	8,276,213	8,387,232
Other debtors	88,689	38,667
Prepayments and accrued income	34,385	35,731
	<u>8,400,172</u>	<u>8,461,630</u>

Amounts falling due after more than one year and included in the debtors above are:

	2004 £	2003 £
Amounts owed by subsidiary undertakings	<u>8,276,213</u>	<u>8,387,232</u>

11 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	316,672	55,658
Net obligations under hire purchase contracts	-	1,413
Trade creditors	37,312	17,190
Amounts owed to subsidiary undertakings	55,879	-
Taxes and social security costs	52,476	80,476
Other creditors	1,353	76,450
Accruals and deferred income	7,355	3,900
	<u>471,047</u>	<u>235,087</u>

The bank overdraft is secured by a fixed and floating charge over the company.

### Net obligations under hire purchase contracts

Repayable within one year	-	1,413
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>1,413</u>

12 Creditors: amounts falling due after more than one year	2004 £	2003 £
Amounts owed by parent undertakings	<u>8,104,958</u>	<u>8,152,196</u>

# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

13 Share capital	2004 £	2003 £
<b>Authorised</b>		
20,770 Equity Ordinary 'A' shares of 10p each	2,077	2,077
1,730 Equity Ordinary 'B' shares of 10p each	173	173
12,116 Non-equity Cumulative convertible participating preferred Ordinary shares of 10p each	1,212	1,212
500,000 Non-equity Cumulative redeemable preference shares of 10p each	50,000	50,000
	<u>53,462</u>	<u>53,462</u>
<b>Allotted, called up and fully paid</b>		
20,770 Equity Ordinary 'A' shares of 10p each	2,077	2,077
1,730 Equity Ordinary 'B' shares of 10p each	173	173
12,116 Non-equity Cumulative convertible participating preferred Ordinary shares of 10p each	1,212	1,212
500,000 Non-equity Cumulative redeemable preference shares of 10p each	50,000	50,000
	<u>53,462</u>	<u>53,462</u>

### Cumulative redeemable preference shares

These shares were redeemable at six 6 monthly installments as follows:

1st June 1996	83,334
1st December 1996	83,334
1st June 1997	83,333
1st December 1997	83,333
1st June 1998	83,333
1st December 1998	83,333
	<u>500,000</u>

- (a) The cumulative convertible participating preferred ordinary (CCPPO) shares' percentage of total equity share capital shall increase by 1% for each redemption of cumulative redeemable preference shares not undertaken by the company.
- (b) The shares due for redemption were not redeemed by the company and the holders of the CCPPO shares have indicated that they intend to exercise their option in (a) above at a later date.
- (c) Full details of the rights and obligations of these shares are detailed in the company's Articles of Association.

# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

### 14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2003	726,365	29,482
Retained loss for the period	-	(189,114)
Balance at 29 August 2004	726,365	(159,632)

### 15 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Loss for the financial period	(189,114)	(1,433)
Opening shareholders' funds	809,309	810,742
Closing shareholders' funds	620,195	809,309

### 16 Contingent liabilities

The company has entered into a bankers omnibus guarantee and set off agreement dated 17 October 2001 between Lloyds Bank and all group companies. The maximum potential liability at the year end was £12,265,105 (2003: £11,175,549).

### 15 Financial commitments

At 29 August 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
Expiry date:		
Within one year	7,202	3,256

### 18 Directors' emoluments

	2004 £	2003 £
Emoluments for qualifying services	179,231	183,692
Compensation for loss of office	-	6,900
	179,231	190,592



# NUMBER TEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 AUGUST 2004

### 19 Employees

#### Number of employees

The average monthly number of employees (including directors) during the period was:

	2004 Number	2003 Number
Administration	10	6
Employment costs		
	£	£
Wages and salaries	332,393	372,458
Social security costs	39,985	22,852
	372,378	395,310

### 20 Control

The company's parent company is Sanford Investments Limited, also incorporated in the United Kingdom. Sanford Investments Limited is controlled by P.L. Williams, a director, by virtue of the fact that he is the majority shareholder.

### 21 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Included in trade debtors is an amount of £885 owed by Braintree Leisure Limited, a company under the control of Peter Williams.