

TRANSLINE PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 MAY 2001

COMPANY NO: 3724352



COHEN ARNOLD & CO.
Chartered Accountants & Registered Auditors
13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

TRANSLINE PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2001

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TRANSLINE PROPERTIES LIMITED

COMPANY INFORMATION

DIRECTOR

Mr C D Schlaff

COMPANY SECRETARY

Mrs Z Schlaff

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
London
W1S 2HL

AUDITORS

Cohen Arnold & Co.
Chartered Accountants
& Registered Auditors
13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

TRANSLINE PROPERTIES LIMITED

THE REPORT OF THE DIRECTOR

YEAR ENDED 31 MAY 2001

The Director has pleasure in presenting his report and the Financial Statements of the company for the year ended 31 May 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was property investment which has remained unchanged during the year and no change is envisaged in the immediate future.

The net profit on ordinary activities after providing for taxation amounted to £121,263

The financial results of the company's activities for the year ended 31 May 2001 are fully reflected in the attached financial statements together with the notes thereon.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The Director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 May 2001	At 1 June 2000
Mr C D Schlaff	—	—

None of the directors have any beneficial interest in the share capital of the company.

RESPONSIBILITIES OF THE DIRECTOR

Company law requires the Director 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 Director is required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Director must also prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the Financial Statements comply with the Companies Act 1985. The Director is 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.

CLOSE COMPANY PROVISIONS

In the opinion of the Director, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

AUDITORS

A resolution to re-appoint Cohen Arnold & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

TRANSLINE PROPERTIES LIMITED
THE REPORT OF THE DIRECTOR *(continued)*
YEAR ENDED 31 MAY 2001

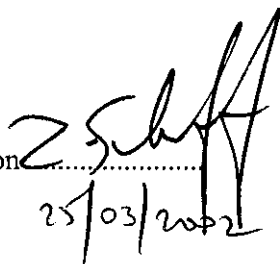
SMALL COMPANY PROVISIONS

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

MRS Z SCHLAFF
Company Secretary

Approved by the Director on



25/03/2002

TRANSLINE PROPERTIES LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MAY 2001

We have audited the Financial Statements on pages 6 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 8 .

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

As described on page 2, the Director of the company is responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 Director's 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 Director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 Director 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.

TRANSLINE PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (CONTINUED)

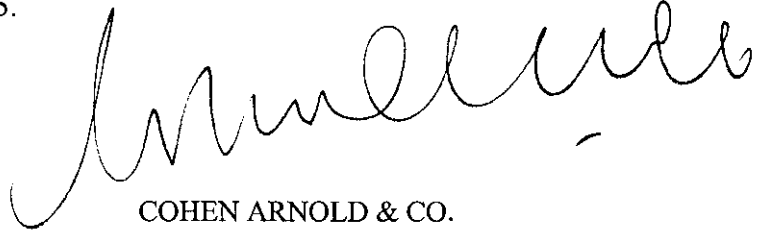
YEAR ENDED 31 MAY 2001

DEPARTURE FROM ACCOUNTING STANDARDS

The company's investment properties are included in the financial statements on the basis indicated in note 1 on accounting policies. This does not comply with the requirements of Statement of Standard Accounting Practice No. 19 which requires such properties to be stated at their open market value. However, as stated in their report, the directors are of the opinion that each of the company's investment properties has an open market value at least equal to the amount at which it is included in the financial statements.

QUALIFIED OPINION ARISING FROM DEPARTURE FROM ACCOUNTING STANDARDS

Except for non-compliance with the requirements of Statement of Standard Accounting Practice No. 19, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COHEN ARNOLD & CO.
Chartered Accountants
& Registered Auditors
13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

25/03/2002

TRANSLINE PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2001

	Note	2001 £	2000 £
Net rental income	2	500,178	313,312
Administrative expenses		<u>(12,972)</u>	<u>(4,237)</u>
OPERATING PROFIT	3	487,206	309,075
Interest receivable		82	-
Interest payable and similar charges		<u>(324,923)</u>	<u>(256,006)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		162,365	53,069
Tax on profit on ordinary activities		<u>(41,102)</u>	<u>(9,614)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		121,263	43,455
Balance brought forward		<u>43,455</u>	-
Balance carried forward		<u><u>164,718</u></u>	<u><u>43,455</u></u>

The notes on pages 8 to 10 form part of these Financial Statements.

TRANSLINE PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 MAY 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	4	4,728,034	4,728,034
CURRENT ASSETS			
Debtors	5	130,303	64,825
Cash at bank		<u>20,293</u>	<u>6,195</u>
		150,596	71,020
CREDITORS: Amounts falling due within one year	6	<u>(961,164)</u>	<u>(908,831)</u>
NET CURRENT LIABILITIES		<u>(810,568)</u>	<u>(837,811)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,917,466	3,890,223
CREDITORS: Amounts falling due after more than one year	7	<u>(3,751,748)</u>	<u>(3,845,768)</u>
		<u>165,718</u>	<u>44,455</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	1,000	1,000
Profit and Loss Account		<u>164,718</u>	<u>43,455</u>
SHAREHOLDERS' FUNDS		<u>165,718</u>	<u>44,455</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 March 2000).

These Financial Statements were approved and signed by the Director on 25/03/2002

MR C D SCHLAFF
Director

The notes on pages 8 to 10 form part of these Financial Statements.

TRANSLINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2001

1. ACCOUNTING POLICIES

Basis of accounting

The Financial Statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), subject to the departures referred to below.

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard No. 1 "Cash flow statements".

Turnover

The turnover of the company is represented by rents and charges receivable from its investment properties.

Depreciation

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of freehold investment properties nor on leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the director considers that this accounting policy results in the financial statements giving a true and fair view.

Leases having an unexpired term of less than twenty years are amortised evenly over the remaining period of the lease.

Low value items of furniture and fittings are written off in the year in which they are acquired. Companies Act 1985, for all properties to be depreciated, is necessary, as the director considers that this accounting policy results in the financial statements giving a true and fair view.

Investment properties

Investment properties are included in the balance sheet at historical cost, which is not in accordance with Statement of Standard Accounting Practice No. 19, which requires such properties to be stated at their open market value.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

Format of the financial statements

The financial statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the director considers to be appropriate having regard to the nature of the company's activities.

TRANSLINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2001

2. TURNOVER AND NET RENTAL INCOME

The turnover of the company is represented by rents and charges receivable in respect of its investment properties.

The net rental income is comprised as follows:

	2001 £	2000 £
Rents and charges receivable	533,165	331,601
Property outgoing	<u>(32,987)</u>	<u>(18,289)</u>
Net rental income	<u>500,178</u>	<u>313,312</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001 £	2000 £
Director's emoluments	4,520	-
Auditors' remuneration	<u>3,200</u>	<u>3,231</u>

4. TANGIBLE FIXED ASSETS

	Investment Properties £
COST	
At 1 June 2000 and 31 May 2001	<u>4,728,034</u>
NET BOOK VALUE	
At 31 May 2001	<u>4,728,034</u>
At 31 May 2000	<u>4,728,034</u>

5. DEBTORS

	2001 £	2000 £
Trade debtors	129,355	64,825
Other debtors	<u>948</u>	<u>-</u>
	<u>130,303</u>	<u>64,825</u>

TRANSLINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2001

6. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	107,714	105,000
Amounts owed to group undertakings	685,234	685,234
Corporation tax	40,269	9,614
Other taxation and social security	21,710	14,201
Other creditors	<u>106,237</u>	<u>94,782</u>
	<u>961,164</u>	<u>908,831</u>

Amounts owed to group undertakings are interest free and are repayable on demand. £658,106 and £27,128 were related to Sabreleague Limited and Grangeworld Limited respectively, both of which have directors in common with this company.

7. CREDITORS: Amounts falling due after more than one year

	2001 £	2000 £
Other creditors	<u>3,751,748</u>	<u>3,845,768</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2001 £	2000 £
Bank loans and overdrafts	<u>3,751,748</u>	<u>3,845,768</u>

Mortgage amounting to £3,751,748 (2000 £3,845,768) is secured by legal charges over the company's freehold property which is included in the financial statements and by a personal guarantee from the director of this company. The loan is for a period of 20 years and interest is charged at LIBOR plus a margin of 2%.

8. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	<u>1,000</u>	<u>1,000</u>

9. ULTIMATE PARENT COMPANY

The parent company is Sabreleague Limited, a company incorporated in England and Wales.