

L

WILKINSON'S L. ... return to H. W. FISHER & C.

Company Registration No. 3747321 (England and Wales)

T531

TONSTATE (HQ) LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2002



TONSTATE (HQ) LIMITED

COMPANY INFORMATION

Directors	A I Matyas E O Wojakowski
Secretary	E O Wojakowski
Company number	3747321
Registered office	3 Park Place St James London SW1A 1LP
Business address	3 Park Place St James London SW1A 1LP
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	Bank Leumi UK Plc 4-7 Woodstock Street London W1A 2AF
Solicitors	DLA 3 Noble Street London EC2V 7EE

TONSTATE (HQ) LIMITED

CONTENTS

	Page
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the accounts	7 - 10

TONSTATE (HQ) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and accounts for the year ended 31 March 2002.

Principal activities

The principal activity of the company is that of property investment.

Results and dividends

The profit for the year after taxation amounted to £37,678.

Directors and their interests

The directors at 31 March 2002 and their beneficial interests in the shares of the company were:


	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
A I Matyas	-	-
E O Wojakowski	-	-

The directors' interests in Tonstate Group Limited, the holding company, are disclosed in that company's accounts.

Auditors

A resolution proposing the reappointment of H W Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board



E O Wojakowski

Director

Dated: *16 January 2003*

TONSTATE (HQ) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

TONSTATE (HQ) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Tonstate (HQ) Limited for the year ended 31 March 2002 set out on pages 4 to 10. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H W Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

Dated: 21 May 2003

TONSTATE (HQ) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover	2	55,447	-
Administrative expenses		(12,088)	-
Operating profit	3	43,359	-
Interest payable and similar charges	5	(5,681)	-
Profit on ordinary activities before taxation		37,678	-
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		37,678	-
Amounts transferred to joint venture parties	7	(37,678)	-
Retained profit carried forward		-	-

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

TONSTATE (HQ) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
	£	£
Profit for the financial year	37,678	-
Unrealised surplus on revaluation of properties	144,759	-
Total recognised gains and losses relating to the year	<u>182,437</u>	<u>-</u>


TONSTATE (HQ) LIMITED

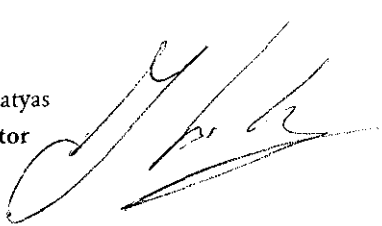
BALANCE SHEET

AS AT 31 MARCH 2002

	Notes	2002 £	2001 £
Fixed assets			
Investments	8	833,000	-
Current assets			
Debtors	9	45,891	460
Cash at bank and in hand		17,585	-
		<u>63,476</u>	<u>460</u>
Creditors: amounts falling due within one year	10	<u>(751,617)</u>	<u>(360)</u>
Net current (liabilities)/assets		<u>(688,141)</u>	<u>100</u>
Total assets less current liabilities		<u>144,859</u>	<u>100</u>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	144,759	-
Shareholders' funds - all equity interests	13	<u>144,859</u>	<u>100</u>

The accounts were approved by the Board on 16 January 2003.


E O Wojakovski
Director


A I Matyas
Director

TONSTATE (HQ) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention as modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1.3 Investments

Fixed asset investments represent properties held under joint venture arrangements.

No depreciation is provided in respect of investment properties. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. Since the properties are held for their investment potential, the directors consider that to depreciate them would not give a true and fair view. As the useful lives of the properties and their depreciable values cannot be reasonably determined, the amount of the depreciation which might otherwise have been shown cannot be separately identified or quantified.

2 Turnover

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

3 Operating profit

2002	2001
£	£

Operating profit is stated after charging:
Auditors' remuneration

500	-
-----	---

4 Employees

Number of employees

There were no employees during the year, other than the directors.

5 Interest payable and similar charges

2002	2001
£	£

Interest payable on:
Bank loans and overdrafts

5,681	-
5,681	-

6 Tax on profit on ordinary activities

There is no tax charge for the year for the reason described in note 7.

TONSTATE (HQ) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

7	Amounts transferred to joint venture parties	2002 £	2001 £
	Profit for the financial year	<u>37,678</u>	<u>-</u>

The profits or losses of Tonstate (HQ) Limited are distributed to the joint venture parties in accordance with the joint venture agreement. The profit or loss will be treated as income or loss of the ultimate receiving party who will also account for any tax due thereon.

8	Fixed asset investments	Properties at cost or valuation £
	Cost or valuation	
	At 1 April 2001	-
	Additions	688,241
	Revaluation	144,759
	At 31 March 2002	<u>833,000</u>
	Depreciation	
	At 1 April 2001 and at 31 March 2002	<u>-</u>
	Net book value	
	At 31 March 2002	<u>833,000</u>

The company has an investment in an unincorporated joint property arrangement.

The directors consider that the current market value of the property reasonably equates to that shown above.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
Historical cost at 1 April 2001	-
Additions	688,241
Historical cost at 31 March 2002	<u>688,241</u>
Depreciation based on cost	
At 1 April 2001 and at 31 March 2002	<u>-</u>
Net book values	
At 31 March 2002	<u>688,241</u>
At 31 March 2001	<u>-</u>

TONSTATE (HQ) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

9 Debtors	2002	2001
	£	£
Other debtors	31,780	460
Prepayments and accrued income	14,111	-
	<u>45,891</u>	<u>460</u>
10 Creditors: amounts falling due within one year	2002	2001
	£	£
Trade creditors	33,852	-
Amounts owed to group undertakings	715,339	360
Accruals and deferred income	2,426	-
	<u>751,617</u>	<u>360</u>
11 Share capital	2002	2001
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100
	<u>100</u>	<u>100</u>
12 Statement of movements on reserves	Revaluation reserve	
	£	
Revaluation during the year	144,759	
Balance at 31 March 2002	<u>144,759</u>	

TONSTATE (HQ) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

13 Reconciliation of movements in shareholders' funds	2002 £	2001 £
Profit for the financial year	37,678	-
Amounts transferred to joint venture parties	(37,678)	-
	<hr/>	<hr/>
	-	-
Other recognised gains and losses	144,759	-
	<hr/>	<hr/>
Net addition to shareholders' funds	144,759	-
Opening shareholders' funds	100	100
	<hr/>	<hr/>
Closing shareholders' funds	144,859	100
	<hr/>	<hr/>

14 Related party transactions

Tonstate (HQ) Limited is owned by Tonstate Group Limited. The directors in Tonstate (HQ) Limited are also directors in Tonstate Group Limited.

At 31 March 2002, the company owed £715,339 (2001: £360) to Tonstate Group Limited.

15 Controlling parties

The immediate controlling party is Tonstate Group Limited. The ultimate controlling parties are Mr. and Mrs. Matyas.