

## **REGISTRAR'S COPY**

**COMPANY**

**NUMBER: 3966166**

**Tangram Leisure Limited**

Abbreviated Financial Statements

Year Ended

31 December 2004



**BDO Stoy Hayward**  
Chartered Accountants



**Tangram Leisure Limited**

**Abbreviated financial statements for the year ended 31 December 2004**

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**Directors**

P R Cronk  
P M Tory  
M J Wootton

**Secretary and registered office**

P M Tory, Bewley House, Marshfield Road, Chippenham, Wiltshire, SN15 1JW

**Company number**

3966166

**Auditors**

BDO Stoy Hayward LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

## **Tangram Leisure Limited**

### **Report of the independent auditors**

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#### **Independent auditors' report to Tangram Leisure Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages 3 to 6 together with the financial statements of the company for the year ended 31 December 2004 prepared under section 226 of the Companies Act 1985.

#### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of opinion*

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

#### *Opinion*

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 3 to 6 are properly prepared in accordance with those provisions.

#### *Other information*

Today we reported, as auditors of Tangram Leisure Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2004 and our audit report included the following statement:

**Tangram Leisure Limited**

**Report of the independent auditors (*Continued*)**

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*Going Concern*

In forming our opinion we have considered the adequacy of the disclosures made in note 1 concerning the uncertainty relating to the going concern basis of preparation of the financial statements. In view of the significance of this uncertainty, we consider that it should be brought to your attention. Our opinion is not qualified in this respect.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants*

*and Registered Auditors*

Reading

Date: *1/7/2005*

**Tangram Leisure Limited**

**Balance sheet at 31 December 2004**

	Note	2004 £	2004 £	2003 £	2003 £
<b>Fixed assets</b>					
Tangible assets	2		5,605,622		5,579,868
<b>Current assets</b>					
Stocks		15,577		10,320	
Debtors		2,361		8,694	
Cash at bank and in hand		15,362		21,833	
		33,300		40,847	
<b>Creditors: amounts falling due within one year</b>		2,633,557		295,433	
<b>Net current liabilities</b>			(2,600,257)		(254,586)
<b>Total assets less current liabilities</b>			3,005,365		5,325,282
<b>Creditors: amounts falling due after more than one year</b>	3		-		1,752,792
			3,005,365		3,572,490
<b>Capital and reserves</b>					
Called up share capital	4		437,063		437,063
Share premium account			1,856,510		1,856,510
Revaluation reserve			2,522,222		2,522,222
Profit and loss account			(1,810,430)		(1,243,305)
<b>Equity shareholders' funds</b>			3,005,365		3,572,490

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 29<sup>th</sup> June 2005

P M Tory  
Director

P R Cronk  
Director

The notes on pages 4 to 6 form part of these financial statements.

## Tangram Leisure Limited

### Notes forming part of the financial statements for the year ended 31 December 2004

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#### 1 Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

The following principal accounting policies have been applied:

##### *Going concern basis of preparation*

The directors have prepared the financial statements on a going concern basis as the forecasts prepared by the company indicate that it will have sufficient cash resources to satisfy its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. These forecasts assume that additional funding will be raised in order that the £2,790,000 loan facility made available at the 5 October 2004 can be repaid by the 31 October 2005. The directors have been in discussions with potential sources for such funding but, inherently, there can be no certainty that the necessary additional funding will be raised by this date.

##### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

##### *Land and buildings*

FRS 15 requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this freehold and long leasehold land and buildings are subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

##### *Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% straight line
Assets under construction	- Nil
Fixtures and fittings	- 15% straight line
Studio	- 2% straight line

##### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

## Tangram Leisure Limited

### Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

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#### 1 Accounting policies (*continued*)

##### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### 2 Tangible fixed assets

	Total £
<i>Cost or valuation</i>	
At 1 January 2004	5,592,289
Additions	32,852
	<hr/>
At 31 December 2004	5,625,141
	<hr/>
<i>Depreciation</i>	
At 1 January 2004	12,421
Provided for the year	7,098
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At 31 December 2004	19,519
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<i>Net book value</i>	
At 31 December 2004	5,605,622
	<hr/> <hr/>
At 31 December 2003	5,579,868
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The freehold land and building and assets under construction were professionally revalued by Humberts Leisure, a firm of chartered surveyors, at open market value as at 20 July 2004. These valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Statement of Asset Valuation Practice and Guidance Notes. The surplus arising of £2,522,222 has been credited to the revaluation reserve. All other tangible fixed assets are stated at historical cost.

## Tangram Leisure Limited

### Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

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#### 3 Creditors: amounts falling due after more than one year

Included in creditors is a bank loan of £2,340,000 (2003 - £1,752,792) secured over the freehold land and buildings and other assets of the company.

#### 4 Share capital

	2004	Authorised 2003	Allotted, called up and fully paid	
	£	£	2004 £	2003 £
<i>Equity share capital</i>				
Ordinary shares of 10p each	2,500,000	2,500,000	437,063	437,063

#### 5 Loans and transactions concerning directors and officers of the company

During the year, the company had the following arrangements in which Mr P R Cronk, a director of the company, has an interest:

(a) Mannington International (UK) Limited pension scheme, which relates to Mr P R Cronk, has a holding of 61,531(2003 - 61,531) ordinary shares of 10p each. This holding represents 1.41% (2003 - 1.41%) of the total shares issued.

(b) During the period the company accrued £33,000 (2003: £33,000) for planning and design consulting services for Mr P R Cronk, which is disclosed in directors' remuneration. The amount due in respect of these consultancy services at 31 December 2004 was £33,000 (2003: £15,000).

(c) An amount of £6,000 (2003 - £6,000) was paid to P M Tory for the rent of office space.