

**COMPANIES REGISTRY COPY**

**Aspenmill Limited  
Financial Statements  
For the year ended  
31 December 2004**

**Company Registration Number 4206335**



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# **Aspenmill Limited**

## **Financial Statements**

**Year ended 31 December 2004**

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<b>Contents</b>	<b>Pages</b>
Company Information	1
The Directors' Report	2
Independent Auditors' Report to the Shareholders	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7 to 11

**Aspenmill Limited**  
**Company Information**

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<b>The Board of Directors</b>	Mr P. Shalson Mr S. J. Pollins
<b>Company Secretary</b>	Mr J. Menell
<b>Registered Office</b>	Lanmor House 370/386 High Road Wembley Middlesex HA9 6AX
<b>Auditors</b>	Landau Morley Chartered Accountants & Registered Auditors Lanmor House 370/386 High Road Wembley Middlesex    HA9 6AX
<b>Bankers</b>	Lloyds TSB 190 Great Portland Street London W1A 4LN

## **Aspenmill Limited**

### **The Directors' Report**

**Year ended 31 December 2004**

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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 principal activity of the company continued to that of providers of loan finance.

#### **Future Developments**

In the years immediately ahead the directors believe that there is considerable scope for the further development of the existing activities of the company.

#### **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:

Mr P. Shalson

Mr S. J. Pollins

(Appointed 5 July 2004)

Mr D. Wolinsky

(Resigned 5 July 2004)

Mr. P. Shalson has 2 shares in the ultimate parent undertaking, SGI Limited, which represents a 100% shareholding.

#### **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 year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors 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 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. The directors 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.

#### **Auditors**

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

Signed on behalf of the directors



Mr S. J. Pollins

Director

Approved by the directors on 27.10.05

## **Aspenmill Limited**

### **Independent Auditors' Report to the Shareholders of Aspenmill Limited**

**Year ended 31 December 2004**

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We have audited the financial statements of Aspenmill Limited for the year ended 31 December 2004 on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

*This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.*

#### **Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities 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 31 December 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Lanmor House  
370/386 High Road  
Wembley  
Middlesex HA9 6AX

23/10/05

LANDAU MORLEY  
Chartered Accountants  
& Registered Auditors

**Aspenmill Limited****Profit and Loss Account****Year ended 31 December 2004**

	Note	2004 £	2003 £
<b>Turnover</b>	<b>2</b>	20,000	20,000
Operating costs		133,698	26,222
<b>Operating Loss</b>	<b>3</b>	(113,698)	(6,222)
Interest receivable		47,591	37,110
Interest payable and similar charges	<b>5</b>	(47,000)	(38,843)
<b>Loss on Ordinary Activities Before Taxation</b>		(113,107)	(7,955)
Tax on loss on ordinary activities	<b>6</b>	—	—
<b>Loss for the Financial Year</b>		(113,107)	(7,955)
Balance brought forward		(29,468)	(21,513)
Balance carried forward		(142,575)	(29,468)

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.

The notes on pages 7 to 11 form part of these financial statements.

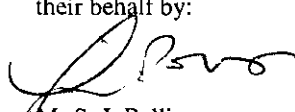
# Aspenmill Limited

## Balance Sheet

31 December 2004

	Note	2004 £	2003 £
<b>Current Assets</b>			
Debtors	7	1,047,536	126,890
Cash at bank		30	32,028
		<u>1,047,566</u>	<u>158,918</u>
<b>Creditors: Amounts Falling due Within One Year</b>	8	<u>210,041</u>	<u>188,286</u>
<b>Net Current Assets/(Liabilities)</b>		837,525	(29,368)
<b>Total Assets Less Current Liabilities</b>		837,525	(29,368)
<b>Creditors: Amounts Falling due after More than One Year</b>	9	980,000	-
		<u>(142,475)</u>	<u>(29,368)</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	12	100	100
Profit and loss account		(142,575)	(29,468)
<b>Deficiency</b>	13	<u>(142,475)</u>	<u>(29,368)</u>

These financial statements were approved by the directors on the 27.12.04 and are signed on their behalf by:

  
Mr S. J. Pollins  
Director

The notes on pages 7 to 11 form part of these financial statements.



**Aspenmill Limited****Cash Flow Statement****Year ended 31 December 2004**

	Note	2004	2003
		£	£
Net Cash (Outflow)/Inflow From Operating Activities	14	(1,063,834)	1,080,201
Returns on Investments and Servicing of Finance	15	51,836	(56,964)
Cash (Outflow)/Inflow Before Financing		(1,011,998)	1,023,237
Financing	16	980,000	(991,250)
(Decrease)/Increase in Cash	17	(31,998)	31,987

The notes on pages 7 to 11 form part of these financial statements.

# Aspenmill Limited

## Notes to the Financial Statements

Year ended 31 December 2004

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### 1. Accounting Policies

#### Basis of Accounting

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

#### Turnover

Turnover is the total amount of fees receivable by the company for the provision of finance.

#### Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have accrued at the date that will result in an obligation to pay more, or a right to pay less, or to receive more, tax.

No provision has been made in respect of deferred tax as there are unlikely to be any timing differences in the foreseeable future.

#### Going Concern

The Financial Statements have been prepared on a going concern basis as support will be forthcoming from the ultimate parent undertaking to enable the company to pay its debts as they fall due and continue trading.

### 2. Turnover

The turnover and loss before tax were derived from the company's principal activity which was carried out wholly in the United Kingdom.

### 3. Operating Loss

Operating loss is stated after charging:

	2004 £	2003 £
Auditors' remuneration - as auditors	1,763	1,175

### 4. Particulars of Employees

No salaries or wages have been paid to employees, including the directors, during the year.

### 5. Interest Payable

	2004 £	2003 £
Interest payable on bank borrowing	47,000	38,843

# Aspenmill Limited

## Notes to the Financial Statements

Year ended 31 December 2004

### 6. Taxation on Ordinary Activities

#### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004 £	2003 £
Loss on ordinary activities before taxation	(113,107)	(7,955)
Profit/(loss) on ordinary activities by rate of tax	(33,932)	(2,387)
Expenses not deductible for tax purposes	38,067	-
Utilisation of tax losses	(4,135)	-
Losses carried forward	-	2,387
Total current tax	-	-

### 7. Debtors

	2004 £	2003 £
Trade debtors	20,000	26,250
Amounts owed by group undertakings	980,000	-
Prepayments and accrued income	47,536	100,640
	1,047,536	126,890

Debtors include amounts due from related parties as follows:

Tiltvend Limited - Fellow subsidiary undertaking	980,000	-
Tigerlink Limited	-	100,640
Tiltvend Limited	47,536	-

Trade debtors comprise amounts due from a fellow subsidiary, Tiltvend Limited (2003: Tigerlink Limited).

An amount of £126,890 is also due from Tigerlink Limited (a fellow subsidiary undertaking). During the year, a full provision was made against this amount.

### 8. Creditors: Amounts Falling due Within One Year

	2004 £	2003 £
Amounts owed to group undertakings	198,962	160,936
Accruals and deferred income	11,079	27,350
	210,041	188,286

Amounts owed to group undertakings consist of amounts owed to the parent undertaking, SGI Limited

# Aspenmill Limited

## Notes to the Financial Statements

Year ended 31 December 2004

### 9. Creditors: Amounts Falling due after More than One Year

	2004	2003
	£	£
Bank loans and overdrafts	<u>980,000</u>	<u>-</u>

The bank loan is secured against the stock of properties held in a fellow subsidiary undertaking, Tiltvend Limited, and is guaranteed by the company, SGI Limited (its parent undertaking) and by Tiltvend Limited. Interest is payable on the loan at 1.75% above base rate, and the loan is repayable no later than 6th June 2006.

### 10. Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is material.

### 11. Related Party Transactions

The company is controlled by Mr. P. Shalson.

The Profit and Loss account includes interest receivable of £Nil (2003: £37,103) from Tigerlink Limited, a fellow subsidiary undertaking and £47,536 (2003: £Nil) from Tiltvend Limited, a fellow subsidiary undertaking.

Turnover comprises an amount of £20,000 from Tiltvend Limited (2003: £20,000 from Tigerlink Limited).

### 12. 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		2003	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 13. Reconciliation of Movements in Shareholders' Funds

	2004	2003
	£	£
Loss for the financial year	(113,107)	(7,955)
Opening shareholders' equity deficit	<u>(29,368)</u>	<u>(21,413)</u>
Closing shareholders' equity deficit	<u>(142,475)</u>	<u>(29,368)</u>

# Aspenmill Limited

## Notes to the Financial Statements

Year ended 31 December 2004

### 14. Reconciliation of Operating Loss to Net Cash (Outflow)/Inflow From Operating Activities

	2004	2003
	£	£
Operating loss	(113,698)	(6,222)
Interest payable	5,000	25,000
(Increase)/decrease in debtors	(973,750)	971,250
Increase in creditors	18,614	90,173
Net cash (outflow)/inflow from operating activities	<u>(1,063,834)</u>	<u>1,080,201</u>

### 15. Returns on Investments and Servicing of Finance

	2004	2003
	£	£
Interest received	100,695	6,879
Interest paid	<u>(48,859)</u>	<u>(63,843)</u>
Net cash inflow/(outflow) from returns on investments and servicing of finance	<u>51,836</u>	<u>(56,964)</u>

### 16. Financing

	2004	2003
	£	£
Repayment of bank loans	980,000	(991,250)
Net cash inflow/(outflow) from financing	<u>980,000</u>	<u>(991,250)</u>

### 17. Reconciliation of Net Cash Flow to Movement in Net Debt

	2004		2003	
	£	£	£	£
(Decrease)/increase in cash in the period	(31,998)		31,987	
Net cash (inflow) from/outflow from bank loans	<u>(980,000)</u>		<u>991,250</u>	
		(1,011,998)		1,023,237
Change in net debt		<u>(1,011,998)</u>		<u>1,023,237</u>
Net funds at 1 January 2004		32,028		(991,209)
Net debt at 31 December 2004		<u>(979,970)</u>		<u>32,028</u>

### 18. Analysis of Changes in Net Debt

	At 1 Jan 2004	Cash flows	At 31 Dec 2004
	£	£	£
Net cash:			
Cash in hand and at bank	<u>32,028</u>	<u>(31,998)</u>	<u>30</u>
Debt:			
Debt due after 1 year	<u>—</u>	<u>(980,000)</u>	<u>(980,000)</u>
Net debt	<u>32,028</u>	<u>(1,011,998)</u>	<u>(979,970)</u>

## **Aspenmill Limited**

### **Notes to the Financial Statements**

**Year ended 31 December 2004**

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#### **19. Ultimate Parent Company**

The ultimate parent undertaking, SGI Limited, owns 100% of the company, being 100 ordinary shares of £1 each. SGI Limited is registered in England, is an investment holding company and trades as management consultants.