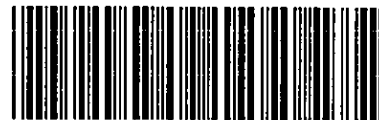


**TAFF VALE LIMITED**

**Report and Financial Statements**

**31 March 2009**

THURSDAY



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**REPORT AND FINANCIAL STATEMENTS 2009  
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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J G Kennedy  
I G Seddon  
G I Riddell

**SECRETARY**

I G Seddon

**REGISTERED OFFICE**

78 Ashley Road  
Hale  
Altrincham  
Cheshire  
WA15 2UF

**AUDITORS**

Deloitte LLP  
Chartered Accountants and Registered Auditors  
Manchester  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2009. This report has been prepared in accordance with the special provisions relating to small companies under s246 (4) Companies Act 1985.

## **PRINCIPAL ACTIVITY**

The principal activity is that of property rental and development for investment purposes.

## **RESULTS, DIVIDENDS AND TRANSFERS FROM RESERVES**

The results of the company for the year are set out on page 5. The directors are unable to recommend a dividend to be paid for the year. The loss after tax of £31,308 (2008 -£27,050) has been transferred from reserves.

## **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

## **DIRECTORS**

The directors who served during the year and thereafter are shown on page 1.

## **DIRECTORS' STATEMENT ON INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

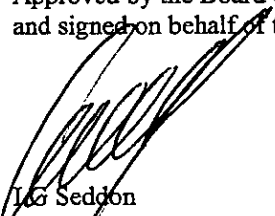
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

## **AUDITORS**

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Iain Seddon  
Secretary  
9/11/2009

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAFF VALE LIMITED**

We have audited the financial statements of Taff Vale Limited for the year ended 31 March 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP  
Chartered Accountants and Registered Auditors  
Manchester  
United Kingdom  
9/11/2009

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>	1	335,638	344,399
Administrative expenses		<u>(136,002)</u>	<u>(67,705)</u>
<b>OPERATING PROFIT</b>		199,636	276,694
Interest payable and similar charges	4	<u>(230,944)</u>	<u>(303,744)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(31,308)	(27,050)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	12,15	<u><u>(31,308)</u></u>	<u><u>(27,050)</u></u>

The above results relate to continuing operations.

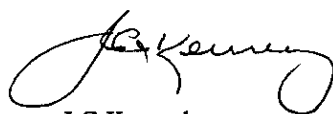
There are no recognised gains and losses for either year other than those shown above and accordingly a separate statement of total recognised gains and losses has not been presented.

**BALANCE SHEET**  
**31 March 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Investment property	6	5,134,334	4,974,496
<b>CURRENT ASSETS</b>			
Debtors	7	44,454	33,662
Cash at bank and in hand		115,360	-
		<u>159,814</u>	<u>33,662</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(2,161,904)</u>	<u>(1,583,819)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,002,090)</u>	<u>(1,550,157)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,132,244	3,424,339
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>(3,197,947)</u>	<u>(3,458,734)</u>
<b>NET LIABILITIES</b>		<u>(65,703)</u>	<u>(34,395)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,000	1,000
Profit and loss account	12	<u>(66,703)</u>	<u>(35,395)</u>
<b>SHAREHOLDERS' DEFICIT</b>	15	<u>(65,703)</u>	<u>(34,395)</u>

The financial statements of Taff Vale Limited, registered number 5323840 were approved by the board of directors and authorised for issued on 9/11/2009.

Signed on behalf of the Board of Directors



J G Kennedy  
Director



**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2009****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable Law and United Kingdom accounting standards. The principal accounting policies adopted are described below. They have been applied consistently throughout the year and the preceding year.

**Basis of accounting**

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

The company has net liabilities as at 31 March 2009 and is reliant on its parent company, PJKI Limited, to be able to meet its liabilities as they fall due, which creates an uncertainty over the use of the going concern basis in preparation of the financial statements. The current economic conditions create uncertainty particularly over the level of demand for the company's property stock. However, the directors, have reviewed the company's forecasts and projections, taking into account possible changes in trading performance and have obtained confirmation of financial support from its parent company.

After making such enquiries, the directors have a reasonable expectation that the company has adequate resources available to continue in operation for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

**Turnover**

Turnover represents rental income and service charges made to tenants, recognised on a straight line basis over the rental period, and arises in the United Kingdom.

**Investment properties**

Investment properties are revalued annually by the directors and at least every five years by an external valuer. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit or loss account.

Depreciation is not provided in respect of freehold investment properties or in respect of leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 Accounting for investment properties. The effect of the departure from statutory accounting rules is not material.

**Taxation**

Current tax including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods to those in which they are recognised in the financial statements. Deferred tax is not discounted.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets.

**Cash flow statement**

The company has taken advantage of the exemption contained in FRS 1 (revised) "Cash flow Statements" in not producing a cash flow statement as it meets the definition of a small company.

**Related parties transactions**

Related party transactions are disclosed in note 16.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2009**

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Other than the directors there were no employees. The directors received no emoluments during the year from this company (2008 - £nil).

**3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2009 £	2008 £
Loss on ordinary activities before taxation is after charging:		
Auditors' remuneration - audit of the company's annual accounts	3,815	3,815

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009 £	2008 £
Bank loan interest	230,944	236,611
Interest paid to related parties	-	67,133
	<u>230,944</u>	<u>303,744</u>

**5. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2009 £	2008 £
United Kingdom corporation tax	-	-

The tax assessed for the year is higher than (2008 - higher) that resulting from applying the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	£	£
Loss on ordinary activities before taxation	(31,308)	(27,050)
Tax at 28% (2008: 30%)	(8,766)	(8,115)
Expenses not deductible for tax	-	246
Group relief surrendered for nil payment	8,766	-
Deferred tax asset not provided	-	7,344
Deferred tax rate difference	-	525
	<u>-</u>	<u>-</u>
Current tax	-	-

**6. INVESTMENT PROPERTY**

	2009 £	2008 £
Cost and net book value		
At 1 April	4,974,496	4,757,656
Additions	159,838	216,840
	<u>5,134,334</u>	<u>4,974,496</u>
At 31 March		

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2009**

**7. DEBTORS**

	2009 £	2008 £
Other debtors	30,003	30,003
Prepayments	14,451	3,614
Corporation tax	-	45
	<u>44,454</u>	<u>33,662</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Overdraft	-	41,972
Bank loan (see note 9)	-	39,211
Trade creditors	3,984	5,379
Amounts owed to group undertakings	1,899,489	-
Amounts owed to related parties	205,000	1,413,519
Corporation tax	391	-
Other creditors	10,473	8,943
Accruals and deferred income	42,567	74,795
	<u>2,161,904</u>	<u>1,583,819</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2009 £	2008 £
Bank loan	<u>3,197,947</u>	<u>3,458,734</u>

The loan is secured by way of a legal mortgage over the property and bears interest at 6.72%. It is repayable in quarterly instalments.

The maturity of bank loan is as follows:

	£	£
Due within one year	-	39,211
Due between one and two years	3,197,947	41,799
Due between two and five years	-	256,386
Due after five years	-	3,160,549
	<u>3,197,947</u>	<u>3,497,945</u>

**10. PROVISIONS FOR LIABILITIES**

A deferred tax asset of £7,344 is not provided because of uncertainty over the future use of the losses to which it relates.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2009**

**11. CALLED UP SHARE CAPITAL**

	2009 £	2008 £
<b>Authorised</b>		
500 'A' ordinary share of £1 each	500	500
500 'B' ordinary share of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid</b>		
500 'A' ordinary share of £1 each	500	500
500 'B' ordinary share of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

All shares have been issued at par value. The A and B ordinary shares rank pari passu in all respects.

**12. RESERVES**

	Profit and loss account £
At 1 April 2008	(35,395)
Loss for the year	(31,308)
	<u>(66,703)</u>
At 31 March 2009	<u>(66,703)</u>

**13. CONTROLLING PARTIES**

The company is equally owned by PJKI Limited and Rethan Limited. The controlling parties are considered to be the directors of Taff Vale Limited.

**14. RELATED PARTY TRANSACTIONS**

The amounts owed to related parties are disclosed in note 8 and relate to £1,872,822 (2008 - £1,308,520) owed to PJKI Limited, £205,000 (2008 - £105,000) owed to Rethan Limited (owned by G I Riddell) and £71,667 (2008 - £nil) owed to Trostre Retail Limited.

The interest paid to related parties is disclosed in note 4 and relates to interest paid to PJKI Limited.

G I Riddell is also a director of Riddell tps Limited, which is the managing agent for the Taff Vale site. As a result of this role, Riddell tps Limited receives a 15% fee based on the service charge levied on and paid by the relevant tenants. During the year £14,174 (2008 - £14,921) was paid from Taff Vale Limited to Riddell tps Limited in respect of service charges for void tenants. Turnover, which is ultimately derived from third party tenants, is collected and passed to the company by Riddell tps Limited, in their capacity as managing agent.

At 31 March 2009, other debtors include an amount of £30,003 (2008 - £30,003) in respect of service charges paid and due to be recharged to tenants, via Riddell tps Limited and trade creditors include an amount of £nil (2008 - £344) payable to Riddell tps Limited.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2009**

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Loss for the financial period	(31,308)	(27,050)
Net increase in shareholders' deficit	(31,308)	(27,050)
Opening shareholders' deficit	(34,395)	(7,345)
Closing shareholders' deficit	(65,703)	(34,395)

**16. RELATED PARTY TRANSACTIONS**

During the year the company undertook transactions in the course of its business, with certain companies within the PJKI Group. At the year end the balances owed by the company were £1,827,822 (2008 - £1,308,519) to PJKI Limited and £71,667 (2008 - nil) to Trostre Retail Limited. At the year end £205,00 (2008 - £105,000) was owed to Rethan Limited, a company under common control.