

**REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**  
**FOR**  
**QUALITYSTORE LIMITED**

THURSDAY



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**for the year ended 31 December 2009**

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**QUALITYSTORE LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2009**

<b>DIRECTOR</b>	Mr B W Ritchie
<b>SECRETARY</b>	Mr J S D A Rust
<b>REGISTERED OFFICE</b>	19-20 Bourne Court Southend Road Woodford Green Essex IG8 8HD
<b>REGISTERED NUMBER:</b>	06250119
<b>AUDITORS</b>	Deloitte LLP Chartered Accountants and Statutory Auditors London, UK

**REPORT OF THE DIRECTOR**  
**for the year ended 31 December 2009**

The director presents his report with the financial statements of the company for the year ended 31 December 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property trading and development

**REVIEW OF BUSINESS**

The current economic conditions have created a number of uncertainties in the market in which the company operates. The director considers the results for the year to be satisfactory. Details of the results of the company can be found in the Profit and Loss account on page four.

**DIRECTOR**

Mr B W Ritchie held office during the whole of the period from 1 January 2009 to the date of this report

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he 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.

**AUDITORS**

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD.**



Mr B W Ritchie - Director

Date 22- APR-2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
QUALITYSTORE LIMITED**

We have audited the financial statements of Qualitystore Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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 opinion we have formed.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirement of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director is not entitled to take advantage of the small companies exemption in preparing the director's report



Mr Richard Muschamp (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and  
Statutory Auditors  
London, UK

Date 23/4/10

**QUALITYSTORE LIMITED (REGISTERED NUMBER 06250119)**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2009**

	Notes	2009 £	2008 £
<b>TURNOVER</b>		-	-
Cost of sales		<u>19,130</u>	<u>465,386</u>
<b>GROSS LOSS</b>		(19,130)	(465,386)
Administrative expenses		<u>187,859</u>	<u>270,297</u>
		(206,989)	(735,683)
Other operating income		<u>340,435</u>	<u>332,377</u>
<b>OPERATING PROFIT/(LOSS)</b>	2	133,446	(403,306)
Interest payable and similar charges		<u>413,213</u>	<u>594,533</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(279,767)	(997,839)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(279,767)</u>	<u>(997,839)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year therefore no total recognised gains and losses has been presented

**QUALITYSTORE LIMITED (REGISTERED NUMBER 06250119)**

**BALANCE SHEET**  
**31 December 2009**

	Notes	2009 £	2008 £
<b>CURRENT ASSETS</b>			
Stock of property		6,965,000	6,965,000
Debtors	4	20,178	20,796
Cash at bank		<u>31,043</u>	<u>27,746</u>
		7,016,221	7,013,542
<b>CREDITORS</b>			
Amounts falling due within one year	5	<u>8,445,345</u>	<u>172,953</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(1,429,124)</u>	<u>6,840,589</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,429,124)	6,840,589
<b>CREDITORS</b>			
Amounts falling due after more than one year	6	<u>-</u>	<u>7,989,946</u>
<b>NET LIABILITIES</b>		<u>(1,429,124)</u>	<u>(1,149,357)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	<u>(1,429,125)</u>	<u>(1,149,358)</u>
<b>SHAREHOLDERS' FUNDS</b>	13	<u>(1,429,124)</u>	<u>(1,149,357)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the director on *22 APR 2010* and were signed by



Mr B W Ritchie - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2009**

**1 ACCOUNTING POLICIES**

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes the company will be able to meet its liabilities as they fall due, for the foreseeable future

The current economic conditions have created a number of uncertainties in the market in which the company operates, in particular in respect of asset valuations. The company's financing arrangements include valuation covenants amongst other requirements. Following covenant breach as at 31 December 2009, bank loans are classified as payable within one year, however they have been renegotiated on more favourable terms in April 2010 and are no longer in breach.

The director has acknowledged the latest FRC guidance on going concern during the current economic conditions. The group has prepared forecasts (including those of the company), taking into account reasonably possible changes, which have been reviewed by the director, based on estimates and judgements about the economic environment in which the group operates. In addition the parent company Acquire London Limited has confirmed that it will provide financial support for the company to meet its liabilities for the foreseeable future.

After making enquiries, the director has formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

**Accounting convention**

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

The principal accounting policies are summarised below. They have been applied consistently throughout the current and previous year.

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary of a parent company preparing consolidated financial statements in which the company is included.

**Stocks**

stocks are valued at the lower of cost and net realisable value.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**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 by the balance sheet date.

**Rental income**

Rental is measured at the fair value of the consideration received or receivable and is stated net of discounts and VAT.

**Revenue**

Revenue comprises income in relation to the sale of properties and is recognised on the point of completion.

**2 OPERATING PROFIT/(LOSS)**

The operating profit (2008 - operating loss) is stated after charging

	2009	2008
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>5,740</u>	<u>8,008</u>
Director's remuneration	<u>-</u>	<u>-</u>

The director is an employee of another company within the group and is not paid for his services as a director of this company. The company had no employees in the current year or previous year.

**3 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2009 nor for the year ended 31 December 2008.



**QUALITYSTORE LIMITED (REGISTERED NUMBER 06250119)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2009**

**3 TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2009 £	2008 £
Loss on ordinary activities before tax	<u>(279,767)</u>	<u>(997,839)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28%)	(78,335)	(279,395)
Effects of Movement/utilisation of tax losses	<u>78,335</u>	<u>279,395</u>
Current tax charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

A deferred tax asset of £357,730 (2008 £279,395) relating to unrelieved tax losses at the balance sheet date has not been recognised on the basis there is no certainty that there will be future taxable profits against which these can be offset

**4 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Other debtors	<u>20,178</u>	<u>20,796</u>

**5 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Bank loans and overdrafts (see note 7)	8,261,882	15,282
Trade creditors	-	18,974
Amounts owed to group undertakings	126,697	84,570
Other creditors	<u>56,766</u>	<u>54,127</u>
	<u>8,445,345</u>	<u>172,953</u>

**6 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2009 £	2008 £
Bank loans (see note 7)	<u>-</u>	<u>7,989,946</u>

**7 LOANS**

An analysis of the maturity of loans is given below

	2009 £	2008 £
Amounts falling due within one year or on demand		
Bank overdrafts	22	15,282
Bank loans	<u>8,261,860</u>	<u>-</u>
	<u>8,261,882</u>	<u>15,282</u>
Amounts falling due between two and five years		
Bank loans	<u>-</u>	<u>7,989,946</u>

**QUALITYSTORE LIMITED (REGISTERED NUMBER: 06250119)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2009**

**8 SECURED DEBTS**

The following secured debts are included within creditors

	2009 £	2008 £
Bank loans	<u>8,261,860</u>	<u>7,989,946</u>

The bank loans are secured over the assets owned by the company and are repayable on demand as further explained in the accounting policies (2008 27th February 2012)

**9 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value £1	2009 £	2008 £
1	Ordinary		<u>1</u>	<u>1</u>

**10 RESERVES**

	Profit and loss account £
At 1 January 2009	(1,149,358)
Deficit for the year	<u>(279,767)</u>
At 31 December 2009	<u>(1,429,125)</u>

**11 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption within Financial Reporting Standard Number 8 in relation to the disclosure of transactions with other group companies

During the year the company paid management charges of £27,237 (2008 - £27,159) to Residential Land Management Limited, a company in which Mr B W Ritchie is also a director

At the balance sheet date the company owed £nil (2008 £nil) to Residential Land Management Limited

**12 ULTIMATE CONTROLLING PARTY**

The ultimate parent and controlling party is Acquire London Limited by virtue of its ownership of the entire issued share capital

The largest and smallest group in which the results of Qualitystore Limited are consolidated is that headed by Acquire London Limited, a company incorporated in Great Britain and registered in England and Wales, whose accounts can be obtained from 19-20 Bourne Court, Southend Road, Woodford Green, IG8 8HD

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Loss for the financial year	<u>(279,767)</u>	<u>(997,839)</u>
Net reduction of shareholders' funds	(279,767)	(997,839)
Opening shareholders' funds	<u>(1,149,357)</u>	<u>(151,518)</u>
Closing shareholders' funds	<u>(1,429,124)</u>	<u>(1,149,357)</u>