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Targetfollow (Barking) Limited

Annual report and financial statements

Branch number FC023563

31 March 2006

Targetfollow (Barking) Limited

Company Information

Directors	A Naghshineh Mrs V A Fletcher FCA P Moore
Secretary	P Moore
Branch Number	BR006326
Registered Office	19 Mount Havelock Douglas Isle of Man IM1 2QG
Auditors	KPMG LLP 6 Lower Brook Street Ipswich Suffolk IP4 1AP

Contents

Statement of directors' responsibilities in respect of the financial statements

The directors of Targetfollow (Barking) Limited ('the directors') have accepted responsibility for the preparation of these accounts for the year ended 31 March 2006 which are intended by them to give a true and fair view of the state of affairs of the company and of the profit or loss for that period. They have decided to prepare the accounts in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice) and as if applicable UK law applied to them.

In preparing these non-statutory accounts, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed; subject to any material departures being disclosed and explained in the accounts; and
- prepared the accounts on the going concern basis as they believe that the company will continue in business.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP

6 Lower Brook Street
Ipswich
IP4 1AP
United Kingdom

Report of KPMG LLP to Targetfollow (Barking) Limited

We have audited the accounts of Targetfollow (Barking) Limited for the year ended 31 March 2006 which comprise the Profit and loss account, the Balance sheet, the Statement of total recognised gains and losses and the related notes. These accounts have been prepared for the reasons and on the basis set out in note 1 to the accounts.

Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Respective responsibilities of directors and KPMG LLP

As described on page 1, the directors of Targetfollow (Barking) Limited have accepted responsibility for the preparation of these accounts in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice) and as if applicable UK law applied to them.

Our responsibility is to audit the accounts in accordance with the terms of our engagement letter dated 10 July 2006 and International Standards on Auditing (UK and Ireland).

Under the terms of engagement we are required to 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, as if those requirements were to apply. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the other information accompanying the accounts and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the non-statutory accounts. Our responsibilities do not extend to any other information.

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 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as if those requirements were to apply.

KPMG LLP

KPMG LLP
Chartered Accountants

27 October 2006

Profit and loss account

for the year ended 31 March 2006

	Note	2006 £	2005 £
Turnover	2	**1,654,595**	1,537,277
Cost of sales		**(931,186)**	(747,955)
Gross profit		**723,409**	789,322
Administrative expenses		**(89,761)**	(74,668)
Operating profit	3	**633,648**	714,654
Interest receivable and similar income	4	**439**	3,354
Interest payable and similar charges	5	**(467,206)**	(463,075)
Profit on ordinary activities before taxation		**166,881**	254,933
Tax on profit on ordinary activities	6	**-**	-
Profit for the financial year	13	**166,881**	254,933

All amounts relate to continuing operations.

There were no material differences between the results as disclosed in the profit and loss account and that given by an unmodified historical cost basis during the year.

Balance sheet
at 31 March 2006

	Note	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	7		**9,970,000**		9,985,000
Current assets					
Debtors	8	**1,298,665**		1,694,706	
Cash at bank and in hand		**262,688**		25,590	
		1,561,353		1,720,296	
Creditors: amounts falling due within one year	9	**(636,032)**		(961,856)	
Net current assets			**925,321**		758,440
Total assets less current liabilities			**10,895,321**		10,743,440
Creditors: amounts falling due after more than one year	10		**(6,687,954)**		(6,687,954)
Net assets			**4,207,367**		4,055,486
Capital and reserves					
Called up share capital	12		**2**		2
Revaluation reserve	13		**3,771,509**		3,786,509
Profit and loss account	13		**435,856**		268,975
Shareholders' funds	14		**4,207,367**		4,055,486

These financial statements were approved by the board of directors on 2 October 2006 and were signed on its behalf by:

A Naghshineh
Director

Mrs VA Fletcher FCA
Director

Statement of total recognised gains and losses
for the year ended 31 March 2006

	2006	2005
	£	£
Profit for the financial year	**166,881**	254,933
Unrealised (deficit)/surplus on revaluation of properties	**(15,000)**	585,000
Total recognised gains and losses relating to the financial year	**151,881**	839,933

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

These accounts do not represent the statutory accounts of the company as the law of Isle of Man does not require it to prepare statutory accounts. These accounts have been prepared to provide support for the tax return made to the UK tax authorities and to fulfil the requirements for overseas companies with a branch in Great Britain. These accounts have been prepared in accordance with UK Accounting Standards and the recognition, measurement and disclosure requirements of UK company law, as if those requirements were to apply.

Turnover

Turnover comprises income from investment properties.

Service charge income and expenses are accounted for gross in the profit and loss account.

Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 (SSAP 19) and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as required by FRS 19.

Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

Refinancing costs

The directors separately identified the costs of refinancing and amortise such costs over their applicable lives in accordance with FRS 4.

2 Turnover

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

Notes *(continued)*

3 Operating profit

The operating profit is stated after charging

	2006	2005
	£	£
Auditors' remuneration		
Audit	**1,586**	1,350
Other services – fees paid to the auditor and its associates	**881**	750

No directors received any emoluments *(2005: £NIL).*

4 Interest receivable and similar income

	2006	2005
	£	£
Interest receivable from group companies	**161**	2,239
Other interest receivable	**278**	1,115
	439	3,354

5 Interest payable and similar charges

	2006	2005
	£	£
Interest payable to group companies	**464,590**	433,340
Refinancing fee payable to group company	**2,616**	29,735
	467,206	463,075

The refinancing fees charged in the previous year include exceptional costs of £20,545 incurred from the parent company as a result of accelerating the period of amortisation of these fees to the refinancing which occurred on 24 May 2005.

Notes *(continued)*

6 Taxation

Analysis of charge in year

	2006 £	2005 £
Current tax		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	-	-
Total current tax charge	-	-
Tax on profit on ordinary activities	-	-

The current tax charge for the period is lower *(2005:lower)* than the standard rate of corporation tax in the UK (30%, *2005: 30 %*). The differences are explained below.

	2006 £	2005 £
Profit on ordinary activities before tax	**166,881**	254,933
Current tax at 30% *(2005: 30%)*	**50,064**	76,480
Effects of:		
Capital allowances in excess of depreciation	**(48,667)**	(64,890)
Utilisation of tax losses brought forward	**(1,397)**	(11,590)
Group relief received without payment	-	-
Total current tax charge	-	-

Factors that may affect future tax charges

No amount has been included in the accounts in relation to the deferred tax asset that arises from the losses of the company as the recoverability of the asset is uncertain. This asset would amount to £182,768 at 31 March 2006 *(2005:* £184,165*)* at a standard rate of corporation tax of 30%.

Notes *(continued)*

7 Tangible fixed assets

	Freehold investment properties £
Valuation	
At beginning of year	9,985,000
Revaluations	(15,000)
At end of year	9,970,000
Depreciation	
At beginning of year	-
Charge for year	-
At end of year	-
Net book value	
At 31 March 2006	**9,970,000**
At 31 March 2005	9,985,000

The investment properties were valued on 31 March 2006 by A Naghshineh, who is the Managing Director of the company. The valuations were carried out on a market value basis.

The investment properties had been externally valued on 1 April 2005. The valuation was performed in accordance with the RICS Appraisal and Valuation Manual, by King Sturge, International Property Consultants, on a market value basis.

On a historical cost basis, land and buildings would have been included as follows:

	2006 **£**	2005 £
Cost	**6,198,491**	6,198,491

8 Debtors

	2006 **£**	2005 £
Due within one year		
Trade debtors	**227,745**	348,940
Amounts owed by group undertakings	**841,749**	1,315,911
Other debtors	**211,676**	11,493
Prepayments and accrued income	**17,495**	18,362
	1,298,665	1,694,706

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	**91,897**	78,506
Amounts owed to group undertakings	**85,397**	489,686
Other creditors	**7,287**	7,100
Accruals and deferred income	**451,451**	386,564
	636,032	961,856

10 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Amounts owed to group undertakings	**6,687,954**	6,687,954

11 Provisions for liabilities and charges

	Provided		Not provided	
Deferred tax is analysed as follows:	**2006**	2005	**2006**	2005
	£	£	**£**	£
Tax on valuation surplus	-	-	**863,782**	918,485

The potential liability is in respect of the tax payable if the company were to sell its investment property at the current valuation. The directors do not propose to sell the property in the foreseeable future and so no amounts have been provided for.

12 Share capital

	Authorised	Authorised	Allotted, called up and fully paid	
	No	£	No	£
At 1 April 2005 and 31 March 2006				
Ordinary shares of £1 each	2,000	2,000	2	2

13 Reserves

	£
Revaluation reserve	
At 1 April 2005	3,786,509
Revaluation during the year	(15,000)
At 31 March 2006	**3,771,509**
Profit and loss account	
At 1 April 2005	268,975
Profit for the year	166,881
At 31 March 2006	**435,856**

Notes *(continued)*

14 Shareholders' funds

	2006	2005
	£	£
Profit for the year	**166,881**	254,933
Other recognised gains and losses	**(15,000)**	585,000
Opening shareholders' funds	**4,055,486**	3,215,553
Closing shareholders' funds	**4,207,367**	4,055,486

15 Other commitments

The bank borrowings of the ultimate parent company, Targetfollow Group Limited, are secured on the assets of certain group companies including Targetfollow (Barking) Limited.

16 Related parties disclosures

The company has taken advantage of the exemption conferred by FRS 8, allowing 90% subsidiaries to depart from the requirement to disclose transactions with other group companies where group accounts are prepared.

The directors, A Naghshineh and V Fletcher, are also directors of Targetfollow Estates Limited, and during the year the company was invoiced management fees of £60,142 *(2005: £45,685)* and was recharged other services of £54,575 *(2005: £40,988)* by Targetfollow Estates Limited. Included within creditors was a balance outstanding of £15,618 *(2005: £14,841)*.

17 Ultimate parent company and parent undertaking of larger group of which the company is a member

In April 2005 Targetfollow Group Limited changed its name to Targetfollow Investments Limited. Actionwide Limited (who subsequently changed its name to Targetfollow Group Limited) acquired the entire share capital of Targetfollow Investments Limited.

The company is a subsidiary undertaking of Targetfollow Group Limited.

The largest group in which the results of the company are consolidated is that headed Targetfollow Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. Group accounts include the results of the company.