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Targetfollow (Barking) Limited

t/a

Targetfollow (Essex) Limited

Financial statements

Branch number BR006326

31 March 2008

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COMPANIES HOUSE

Targetfollow (Barking) Limited t/a Targetfollow (Essex) Limited

Company Information

Directors	A Naghshineh Mrs V A Fletcher FCA S Naghshineh P Moore I S Fox MRICS (appointed 25 April 2008)
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

The directors of Targetfollow (Barking) Limited t/a Targetfollow (Essex) Limited ('the directors') have accepted responsibility for the preparation of these financial statements for the year ended 31 March 2008 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 LLP

6 Lower Brook Street
Ipswich
IP4 1AP
United Kingdom

Report of KPMG LLP to Targetfollow (Barking) Limited t/a Targetfollow (Essex) Limited

We have audited the accounts of Targetfollow (Barking) Limited t/a Targetfollow (Essex) Limited for the year ended 31 March 2008 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 has been prepared for the Company solely in connection with the directors' preparation of the financial statements to assist in the production of the company's tax return It has been released to the Company on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Company's internal purposes) or in part without our prior consent

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 t/a Targetfollow (Essex) 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 11 July 2008 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

Report of KPMG LLP to Targetfollow (Barking) Limited t/a Targetfollow (Essex) Limited *(continued)*

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 2008 and of its loss 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

26 September 2008

Profit and loss account
for the year ended 31 March 2008

	Note	2008 £	2007 £
Turnover	2	**1,070,113**	1,576,778
Cost of sales		**(740,698)**	(973,478)
Gross profit		**329,415**	603,300
Administrative expenses		**(62,425)**	(69,654)
Operating profit	3	**266,990**	533,646
Interest receivable and similar income	4	**589**	521
Interest payable and similar charges	5	**(483,462)**	(475,538)
(Loss) / Profit on ordinary activities before taxation		**(215,883)**	58,629
Tax on (loss)/profit on ordinary activities	6	**-**	-
(Loss) / Profit for the financial year	13	**(215,883)**	58,629

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 2008

	Note	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	7		**10,090,000**		10,200,000
Current assets					
Debtors	8	**906,197**		1,312,749	
Cash at bank and in hand		**99,580**		86,661	
		1,005,777		1,399,410	
Creditors. amounts falling due within one year	9	**(505,428)**		(541,497)	
Net current assets			**500,349**		857,913
Total assets less current liabilities			**10,590,349**		11,057,913
Creditors: amounts falling due after more than one year	10		**(6,687,954)**		(6,687,954)
Net assets			**3,902,395**		4,369,959
Capital and reserves					
Called up share capital	12		**2**		2
Revaluation reserve	13		**3,623,791**		3,875,472
Profit and loss account	13		**278,602**		494,485
Shareholders' funds	14		**3,902,395**		4,369,959

These financial statements were approved by the board of directors on 26/9/08 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 2008

	2008	2007
	£	£
(Loss) / Profit for the financial year	**(215,883)**	58,629
Unrealised (deficit)/surplus on revaluation of properties	**(251,681)**	103,963
Total recognised gains and losses relating to the financial year	**(467,564)**	162,592

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 rental income, service charges and other recoveries from tenants of the company's investment properties

Rentals from properties let as operating leases are recognised on a straight line basis over the lease term Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date

Surrender premiums received in the period are included in rental income

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

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

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 otherwise required by FRS 19

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

	2008 £	2007 £
Auditors' remuneration		
Audit of these financial statements	**1,618**	1,586
Other services relating to taxation	**882**	881

No directors received any emoluments *(2007 £nil)*

4 Interest receivable and similar income

	2008 £	2007 £
Other interest receivable	**589**	521

5 Interest payable and similar charges

	2008 £	2007 £
Interest payable to group companies	**483,462**	475,538

Notes *(continued)*

6 Taxation

Analysis of charge in year

	2008 £	2007 £
Current tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax charge	-	-
Tax on profit on ordinary activities	-	-

The current tax charge for the period is higher *(2007 lower)* than the standard rate of corporation tax in the UK (30%, *2007 30 %*) The differences are explained below

	2008 £	2007 £
(Loss) / Profit on ordinary activities before tax	**(215,883)**	58,629
Current tax at 30% *(2007 30%)*	**(64,765)**	17,589
Effects of		
Capital allowances in excess of depreciation	**(22,346)**	(34,353)
Expenses not deductible for tax purposes	**4,918**	-
Unrelieved tax losses	**82,193**	16,764
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 £263,545 at 31 March 2008 *(2007 £198,028)* at a standard rate of corporation tax of 28% *(2007 30%)*

Notes *(continued)*

7 Tangible fixed assets

	Freehold investment properties £
Valuation	
At 1 April 2007	10,200,000
Additions	141,681
Revaluations	(251,681)
At 31 March 2008	10,090,000
Depreciation	
At 1 April 2007 and 31 March 2008	-
Net book value	
At 31 March 2008	**10,090,000**
At 31 March 2007	10,200,000

The investment properties were externally valued on 31 March 2008 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

	2008 £	2007 £
Cost	**6,466,209**	6,324,528

8 Debtors

	2008 £	2007 £
Trade debtors	**133,770**	221,346
Amounts owed by group undertakings	**545,984**	821,402
Other debtors	**197,512**	251,011
Prepayments and accrued income	**28,931**	18,990
	906,197	1,312,749

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	**44,152**	22,564
Amounts owed to group undertakings	**91,950**	131,752
Other creditors	**7,759**	7,489
Accruals and deferred income	**361,567**	379,692
	505,428	541,497

10 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Amounts owed to group undertakings	**6,687,954**	6,687,954

11 Provisions for liabilities and charges

Deferred tax is analysed as follows	Provided 2008 £	2007 £	Not provided 2008 £	2007 £
Tax on valuation surplus	-	-	**589,945**	792,700

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 No	Authorised £	Allotted, called up and fully paid No	£
At 1 April 2007 and 31 March 2008				
Ordinary shares of £1 each	2,000	2,000	2	2

13 Reserves

	£
Revaluation reserve	
At 1 April 2007	3,875,472
Revaluation during the year	(251,681)
At 31 March 2008	**3,623,791**
Profit and loss account	
At 1 April 2007	494,485
Loss for the year	(215,883)
At 31 March 2008	**278,602**

Notes *(continued)*

14 Shareholders' funds

	2008 £	2007 £
(Loss) / Profit for the year	**(215,883)**	58,629
Other recognised gains and losses	**(251,681)**	103,963
Opening shareholders' funds	**4,369,959**	4,207,367
Closing shareholders' funds	**3,902,395**	4,369,959

15 Other commitments

The bank borrowings of the parent company, Targetfollow Property Holdings Limited totalling £189,718,604 *(2007 £329,122,000)*, are secured on the assets of certain group companies including Targetfollow (Barking) Limited t/a Targetfollow (Essex) 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 company is ultimately controlled by A Naghshineh

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 £58,750 *(2007 £53,168)* and was recharged other services of £61,535 *(2007 £65,145)* by Targetfollow Estates Limited Included within debtors was a balance outstanding of £12,500 *(2007 £nil)*

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

The company is a subsidiary of the UK Holding Company Targetfollow Group Limited, the ultimate parent being Targetfollow Group BV The immediate parent company is Targetfollow Property Holdings Limited

Targetfollow Group BV was incorporated in Holland on 22 February 2007 and on 15 October 2007 acquired the entire share capital of Targetfollow Group Ltd, the consolidated financial statements of these groups are available to the public and may be obtained from Kamer van Koophandel Amsterdam, De Ruyterkade 5, Postbus 2852, 1000 CW Amsterdam and Companies House, Cardiff, CF14 3UZ