

Company Registration No 02025957 (England and Wales)

THE ISLAND TRADING COMPANY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

TUESDAY



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29/01/2013
COMPANIES HOUSE

THE ISLAND TRADING COMPANY LIMITED

COMPANY INFORMATION

Director	S N Newman
Secretary	R Ramus
Company number	02025957
Registered office	Suite G06 85 - 87 Bayham Street London NW1 0AG
Auditors	Newman and Company Regent House 1 Pratt Mews London NW1 0AD

THE ISLAND TRADING COMPANY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2011

The director presents her report and financial statements for the year ended 30 June 2011

Principal activities

The principal activity of the company continued to be that of the provision of management services and the rental of properties

Director

The following director has held office since 1 July 2010

S N Newman

Auditors

In accordance with the Company's Articles, a resolution proposing that Newman and Company be reappointed as auditors of the company will be put at a General Meeting

Statement of director's responsibilities

The director is responsible for preparing the Director's Report 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 she 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 her to ensure that the financial statements comply with the Companies Act 2006. She 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

THE ISLAND TRADING COMPANY LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that she ought to have taken as director in order to make herself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board

A handwritten signature in black ink, appearing to be 'S N Newman', followed by a long, horizontal, wavy line that extends to the right.

S N Newman

Director

23 January 2013

THE ISLAND TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ISLAND TRADING COMPANY LIMITED

We have audited the financial statements of THE ISLAND TRADING COMPANY LIMITED for the year ended 30 June 2011 set out on pages 5 to 10. 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 an auditor's 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, 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

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 judgements made by the director 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 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. However, income previously reported in a related undertaking is now being recorded as turnover in the company. This has been reported on a receipts basis. We have been unable to determine by any other audit procedures as to whether this income is complete. Furthermore, in the course of our audit we have not been able to ascertain as to whether the company operates an adequate system of internal controls. Due to the significance of these matters, we have been unable to form a view on the financial statements. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THE ISLAND TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE ISLAND TRADING COMPANY LIMITED

Disclaimer on view given by the financial statements

Because of the significance of the matters referred to above, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2011 or of its loss for the year then ended Notwithstanding the matter referred to above -

In our opinion the financial statements

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter

In forming our opinion on the financial statements we have considered the adequacy of the disclosures concerning the appropriateness of the going concern basis on which the accounts have been prepared We have received assurances of continuing financial support but the recoverability of the amounts due from other group undertakings cannot be confirmed Our opinion is not qualified in this respect The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements

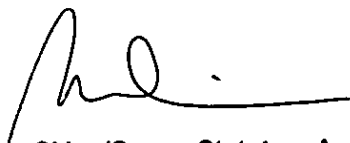
Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer on the view given by the financial statements, in our opinion the information given in the directors's report 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Feng Chin (Senior Statutory Auditor)
for and on behalf of Newman and Company

23 January 2013

Chartered Accountants
Statutory Auditor

Regent House
1 Pratt Mews
London
NW1 0AD

THE ISLAND TRADING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 £	2010 £
Turnover		438,970	459,981
Administrative expenses		(1,312,315)	(1,262,130)
Operating loss	2	(873,345)	(802,149)
Interest payable and similar charges		(59,718)	(57,693)
Loss on ordinary activities before taxation		(933,063)	(859,842)
Tax on loss on ordinary activities	3	-	-
Loss for the year	10	(933,063)	(859,842)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

THE ISLAND TRADING COMPANY LIMITED

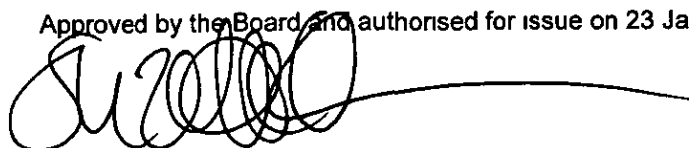
BALANCE SHEET

AS AT 30 JUNE 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	4	1,505,153		1,548,207	
Current assets					
Debtors	5	81,833		24,095	
Cash at bank and in hand		62,031		66,342	
		<u>143,864</u>		<u>90,437</u>	
Creditors: amounts falling due within one year	6	<u>(5,318,058)</u>		<u>(4,364,622)</u>	
Net current liabilities		<u>(5,174,194)</u>		<u>(4,274,185)</u>	
Total assets less current liabilities		<u>(3,669,041)</u>		<u>(2,725,978)</u>	
Creditors: amounts falling due after more than one year	7	<u>(1,702,571)</u>		<u>(1,712,571)</u>	
		<u>(5,371,612)</u>		<u>(4,438,549)</u>	
Capital and reserves					
Called up share capital	9	100		100	
Profit and loss account	10	<u>(5,371,712)</u>		<u>(4,438,649)</u>	
Shareholders' funds	11	<u>(5,371,612)</u>		<u>(4,438,549)</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 23 January 2013



S N Newman
Director

Company Registration No. 02025957

THE ISLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on a going concern basis. This basis has been adopted on the grounds that the director has received an assurance from the company's ultimate holding company that it will continue to provide such financial support as the company may require to enable it to meet its liabilities as they fall due.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents rental income and fees receivable net of Value Added Tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	25% straight line

1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Operating loss	2011 £	2010 £
Operating loss is stated after charging		
Depreciation of tangible assets	55,563	56,004
Loss on disposal of tangible assets	2,891	-
Auditors' remuneration (including expenses and benefits in kind)	7,500	15,000
Director's remuneration	120,000	120,000

THE ISLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

3 Taxation

On the basis of these financial statements no provision has been made for corporation tax

4 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2010	2,323,527	159,175	17,945	2,500,647
Additions	-	500	15,000	15,500
Disposals	-	-	(17,945)	(17,945)
At 30 June 2011	2,323,527	159,675	15,000	2,498,202
Depreciation				
At 1 July 2010	811,335	127,646	13,459	952,440
On disposals	-	-	(14,954)	(14,954)
Charge for the year	46,471	5,097	3,995	55,563
At 30 June 2011	857,806	132,743	2,500	993,049
Net book value				
At 30 June 2011	1,465,721	26,932	12,500	1,505,153
At 30 June 2010	1,512,192	31,529	4,486	1,548,207

5 Debtors

	2011 £	2010 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	23,864	15,845
Other debtors	57,969	8,250
	81,833	24,095

THE ISLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

6	Creditors: amounts falling due within one year	2011 £	2010 £
	Bank loans and overdrafts	1,938,150	1,934,839
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	305,611	184,032
	Taxation and social security	409,423	290,810
	Other creditors	2,664,874	1,954,941
		<u>5,318,058</u>	<u>4,364,622</u>

The bank loan is repayable on demand by the bank. Interest is levied at 2.5% over the LIBOR. The bank holds a legal charge over the assets of the company.

7	Creditors: amounts falling due after more than one year	2011 £	2010 £
	Other creditors	<u>1,702,571</u>	<u>1,712,571</u>
	Analysis of loans		
	Wholly repayable within five years	3,628,240	3,638,240
	Included in current liabilities	<u>(1,925,669)</u>	<u>(1,925,669)</u>
		<u>1,702,571</u>	<u>1,712,571</u>

8 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>16,337</u>	<u>8,587</u>

9 Share capital

	2011 £	2010 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

THE ISLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2011

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2010	(4,438,649)
Loss for the year	(933,063)
	<hr/>
Balance at 30 June 2011	(5,371,712)
	<hr/>

11 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	(933,063)	(859,842)
Opening shareholders' funds	(4,438,549)	(3,578,707)
	<hr/>	<hr/>
Closing shareholders' funds	(5,371,612)	(4,438,549)
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12 Control

The company considers its ultimate holding company to be Island International Limited, a company incorporated in the Bahamas. The ultimate shareholder of Island International Limited is Butterfield Bank (Bahamas) Limited as trustee of the Island Settlement.

13 Related party relationships and transactions

Included in debtors are amounts owed by the following related companies

Palm Pictures Limited £23,864 (2010 £15,845)

Included in creditors are amounts owed to the following related companies

Raybeck Limited £156,430 (2010 £156,807)

Island Trading Inc £149,182 (2010 £27,225)

Blue Mountain Music Limited £2,632,874 (2010 £1,930,441)

At the year end the company had a loan with its parent company, Island International Limited. This is a sterling loan and is interest free. The balance outstanding at the year end was £1,702,571 (2010 £1,712,571).

Included in rent receivable is an amount due from Blue Mountain Music Limited of £60,000 (2010 £60,000), a related company.