

Company Registration No. 1321490 (England and Wales)

REGISTRARS COPY  
OF ACCOUNTS

**LONDON & SURREY PROPERTY HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2004**



**Cavendish**  
Chartered Certified Accountants  
61 Chandos Place  
London WC2N 4HG

Ref 4272

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C.L. Smith Mrs A.M. Smith
<b>Secretary</b>	S.A. Khan
<b>Company number</b>	1321490
<b>Registered office</b>	Parkway House Sheen Lane East Sheen London SW14 8LS
<b>Auditors</b>	Cavendish Chartered Certified Accountants Registered Auditors 61 Chandos Place London WC2N 4HG
<b>Business address</b>	Parkway House Sheen Lane East Sheen London SW14 8LS
<b>Bankers</b>	Bank of Scotland St. James's Gate 14-16 Cockspur Street London SW1Y 5BL  Nationwide Building Society 6 Tanners Road London Road Bagshot Surrey GU19 5HD

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# LONDON & SURREY PROPERTY HOLDINGS LIMITED

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# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

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The directors present their report and financial statements for the year ended 31 March 2004.

### Principal activities

The principal activity of the company in the year under review was property development and investment.

### Directors

The following directors have held office since 1 April 2003:

C.L. Smith  
Mrs A.M. Smith

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2004	1 April 2003
Mrs A.M. Smith	377	377
C.L. Smith	2	2

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Cavendish be reappointed as auditors of the company will be put to the Annual General Meeting.

### Directors' responsibilities

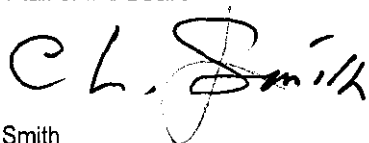
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



C.L. Smith  
Director

6 December 2004

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LONDON & SURREY PROPERTY HOLDINGS LIMITED

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We have audited the financial statements of London & Surrey Property Holdings Limited on pages 3 to 9 for the year ended 31 March 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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**

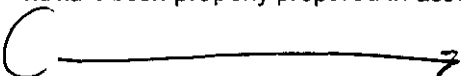
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the 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.

### **Qualified opinion arising from disagreement about accounting treatment**

Freehold land and buildings owned by the company for investment purposes are included in the financial statements at historical cost. This is not in accordance with Statement of Standard Accounting Practice No 19 Accounting for Investment Properties which requires investment properties to be included at open market value at the balance sheet date. We are unable to quantify the financial effects on this departure, which understates the value of investment properties and revaluation reserves in the balance sheet, and the profit on disposal of fixed assets in the profit and loss account.

Except for the failure to revalue the investment properties, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cavendish

7 December 2004

Chartered Certified Accountants  
Registered Auditors

61 Chandos Place  
London WC2N 4HG

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover		1,885,155	1,768,399
Operating costs		(530,980)	(542,113)
Administrative expenses		(246,200)	(194,198)
Other operating income		127,850	189,466
<b>Operating profit</b>	<b>2</b>	<b>1,235,825</b>	<b>1,221,554</b>
Investment income	<b>3</b>	20	20
Other interest receivable and similar income		3,623	3,423
Interest payable and similar charges		(230,941)	(270,789)
<b>Profit on ordinary activities before taxation</b>		<b>1,008,527</b>	<b>954,208</b>
Tax on profit on ordinary activities	<b>5</b>	(279,743)	(250,756)
<b>Profit on ordinary activities after taxation</b>	<b>14</b>	<b>728,784</b>	<b>703,452</b>

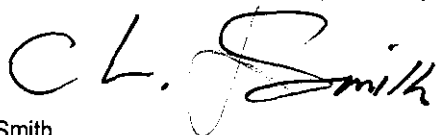
# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004		2003	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6 and 7		11,224,710		11,015,628
<b>Current assets</b>					
Stocks	8	-		241,207	
Debtors	9	238,756		262,742	
Cash at bank and in hand		100		100	
			<u>238,856</u>	<u>504,049</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,081,133)</u>		<u>(1,515,626)</u>	
<b>Net current liabilities</b>			<u>(842,277)</u>	<u>(1,011,577)</u>	
<b>Total assets less current liabilities</b>			10,382,433		10,004,051
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(3,214,540)</u>	<u>(3,564,942)</u>	
			<u>7,167,893</u>	<u>6,439,109</u>	
<b>Capital and reserves</b>					
Called up share capital	13		379		379
Share premium account	14		1,637,414		1,637,414
Profit and loss account	14		5,530,100		4,801,316
			<u>7,167,893</u>	<u>6,439,109</u>	
<b>Shareholders' funds</b>			<u>7,167,893</u>	<u>6,439,109</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 6 December 2004



C L Smith  
Director

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### 1.2 Turnover

Turnover represents rents and premiums receivable net of VAT.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets 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:

Plant and machinery                      10% Straight line

#### 1.4 Investment Properties

Investment properties are included in the financial statements at cost.

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price less further costs to completion and disposal.

#### 1.6 Deferred taxation

Deferred tax is recognised in respect of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using a full provision basis. Deferred tax is measured on a non-discounted basis at the tax rates expected to apply in the periods in which timing differences reverse, based on tax rates or laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are only recognised when they arise from timing differences where their recoverability is regarded as more likely than not.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year. These contributions are invested separately from the company's assets.

<b>2 Operating profit</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	25,000	25,000
Auditors' remuneration	8,000	8,000
Profit on sale of tangible assets	(9,375)	(189,466)
	<u>                    </u>	<u>                    </u>
<b>3 Investment income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Income from fixed asset investments	20	20
	<u>                    </u>	<u>                    </u>



# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

4 Directors Remuneration	2004	2003
	£	£
Directors' Emoluments	61,896	60,600
Company contributions to money purchase pension scheme	47,943	13,944
	<u>109,839</u>	<u>74,544</u>

At 31 March 2004 and at 31 March 2003, both of the company's directors were accruing benefits under the defined contribution pension scheme.

5 Taxation	2004	2003
	£	£
<b>Domestic current year tax</b>		
U.K. corporation tax	280,337	250,529
Adjustment for prior years	(594)	227
	<u>279,743</u>	<u>250,756</u>

6 Tangible fixed assets	Plant and machinery etc
	£
<b>Cost</b>	
At 1 April 2003 & at 31 March 2004	<u>528,491</u>
<b>Depreciation</b>	
At 1 April 2003	478,491
Charge for the year	25,000
	<u>503,491</u>
<b>Net book value</b>	
At 31 March 2004	<u>25,000</u>
At 31 March 2003	<u>50,000</u>

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 7 Tangible fixed assets

	Investment properties £
<b>Cost</b>	
At 1 April 2003	10,965,628
Transfer from stock	241,207
Disposals	(7,125)
	<u>                    </u>
At 31 March 2004	<u>11,199,710</u>

8 Stocks	2004 £	2003 £
Properties for resale	-	241,207
	<u>                    </u>	<u>                    </u>

9 Debtors	2004 £	2003 £
Other debtors	238,756	262,742
	<u>                    </u>	<u>                    </u>

10 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts(secured)	614,247	1,075,786
Taxation and social security	282,549	253,074
Directors current account	97,101	44,732
Other creditors	87,236	142,034
	<u>                    </u>	<u>                    </u>
	<u>1,081,133</u>	<u>1,515,626</u>

Bank loans and overdraft are secured by fixed and floating charges over the company's assets, a personal guarantee limited to £250,000 provided by the directors, and fixed charges over certain properties owned personally by the directors.

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

11 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	3,214,540	3,564,942
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	1,814,540	2,164,942
Wholly repayable within five years	1,750,000	1,750,000
	3,564,540	3,914,942
Included in current liabilities	(350,000)	(350,000)
	3,214,540	3,564,942
Instalments not due within five years	1,814,540	2,164,942

The secured creditors are amounts payable to the Bank of Scotland plc and Nationwide Building Society.

### 12 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £47,943 (2003: £13,944). All contributions were paid during the year.

13 Share capital	2004 £	2003 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
379 Ordinary shares of £1 each	379	379

### 14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2003	1,637,414	4,801,316
Retained profit for the year	-	728,784
Balance at 31 March 2004	1,637,414	5,530,100

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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### 15 Control

The controlling party is Mrs A.M.Smith by virtue of her shareholdings in the company.

### 16 Related party transactions

The company paid rent of £30,000 (2003: £30,000) and management fee of £45,247 (2003: £42,248) at arm's length to Lawrence Smith & Co, a practice owned by C.L. Smith. Debtors include £11,316 (2003 : £113,316 ) due from Deemark Limited, in which the company's directors are also directors and Mrs A.M.Smith has a controlling interest, and £219,729 (2003:£112,742) owed by Lawrence Smith & Co.

As at 31 March 2004 amounts totalling £97,101 (2003: £44,732) were due to the directors and included in creditors.