

Company Registration No. 1321490 (England and Wales)

LONDON & SURREY PROPERTY HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

REGISTRAR'S COPY
OF ACCOUNTS

Cavendish
Chartered Certified Accountants
Registered Auditors
4th Floor, Centre Heights
London NW3 6JG

Ref 4272

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LONDON & SURREY PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mrs A M Smith Mr C L Smith Mr A C Smith (Appointed 1 May 2007)
Secretary	Mr S A Khan
Company number	1321490
Registered office	Parkway House Sheen Lane East Sheen London SW14 8LS
Auditors	Cavendish Chartered Certified Accountants Registered Auditors 4th Floor, Centre Heights 137 Finchley Road London NW3 6JG
Business address	Parkway House Sheen Lane East Sheen London SW14 8LS
Bankers	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

LONDON & SURREY PROPERTY HOLDINGS LIMITED

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LONDON & SURREY PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and financial statements for the year ended 31 March 2008

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 2007

Mrs A M Smith

Mr C L Smith

Mr A C Smith

(Appointed 1 May 2007)

Auditors

The auditors, Cavendish, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves 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 of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Mr C L Smith

Director

10 November 2008

LONDON & SURREY PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LONDON & SURREY PROPERTY HOLDINGS LIMITED

We have audited the financial statements of London & Surrey Property Holdings Limited for the year ended 31 March 2008 set out on pages 4 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 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 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 14 to the financial statements.

LONDON & SURREY PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF LONDON & SURREY PROPERTY HOLDINGS LIMITED

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 potentially results in misstatement of 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Cavendish

Cavendish

11 November 2008

Chartered Certified Accountants
Registered Auditors

4th Floor, Centre Heights
137 Finchley Road
London NW3 6JG

LONDON & SURREY PROPERTY HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Turnover		2,079,075	2,079,147
Operating costs		(682,011)	(625,169)
Administrative expenses		(191,186)	(199,998)
Other operating income		134,732	735,573
Operating profit	2	1,340,610	1,989,553
Investment income	3	20	20
Other interest receivable and similar income	3	6,079	7,106
Interest payable and similar charges		(159,608)	(189,542)
Profit on ordinary activities before taxation		1,187,101	1,807,137
Tax on profit on ordinary activities	4	(301,368)	(305,554)
Profit for the year	12	885,733	1,501,583

LONDON & SURREY PROPERTY HOLDINGS LIMITED

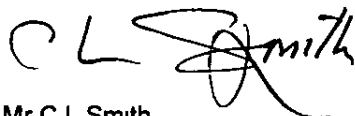
BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	6 and 7		13,162,032		13,075,996
Current assets					
Debtors	8	114,530		244,343	
Cash at bank and in hand		100		100	
		<u>114,630</u>		<u>244,443</u>	
Creditors: amounts falling due within one year	9	<u>(1,130,529)</u>		<u>(1,470,399)</u>	
Net current liabilities			<u>(1,015,899)</u>		<u>(1,225,956)</u>
Total assets less current liabilities			12,146,133		11,850,040
Creditors: amounts falling due after more than one year	10		<u>(1,477,706)</u>		<u>(1,717,346)</u>
			<u>10,668,427</u>		<u>10,132,694</u>
Capital and reserves					
Called up share capital	11		379		379
Share premium account	12		1,637,414		1,637,414
Profit and loss account	12		9,030,634		8,494,901
Shareholders' funds			<u>10,668,427</u>		<u>10,132,694</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 January 2007)

Approved by the Board for issue on 10 November 2008



Mr C L Smith
Director

LONDON & SURREY PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

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 January 2007)

1.2 Turnover

Turnover represents rents receivable

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	25% Straight line
Fixtures, fittings & equipment	25% Straight line

1.4 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

1.5 Investment Properties

Investment properties are included in the financial statements at cost

2	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging		
	Auditors' remuneration	8,400	8,400
	Directors' emoluments	66,399	37,812
	Profit on sale of tangible assets	(134,732)	(735,573)
		<u> </u>	<u> </u>
3	Investment income	2008	2007
		£	£
	Income from fixed asset investments	20	20
	Bank interest	6,079	7,106
		<u> </u>	<u> </u>
		<u>6,099</u>	<u>7,126</u>

LONDON & SURREY PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

4	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U K corporation tax	301,368	309,415
	Adjustment for prior years	-	(3,861)
		<u>301,368</u>	<u>305,554</u>
	Current tax charge	<u>301,368</u>	<u>305,554</u>
5	Dividends	2008	2007
		£	£
	Ordinary interim paid	<u>350,000</u>	<u>1,000,000</u>
6	Tangible fixed assets		Plant and machinery etc
			£
	Cost		
	At 1 April 2007 & at 31 March 2008		<u>528,491</u>
	Depreciation		
	At 1 April 2007 & at 31 March 2008		<u>528,491</u>
	Net book value		
	At 31 March 2008		<u>-</u>
7	Tangible fixed assets		Investment properties
			£
	Cost		
	At 1 April 2007		13,075,996
	Additions		149,013
	Disposals		(62,977)
			<u>13,162,032</u>
	At 31 March 2008		<u>13,162,032</u>

LONDON & SURREY PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

8 Debtors	2008 £	2007 £
Trade debtors	72,443	226,850
Other debtors	42,087	17,493
	<u>114,530</u>	<u>244,343</u>
	<u><u>114,530</u></u>	<u><u>244,343</u></u>
9 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts(secured)	448,175	527,304
Taxation and social security	303,839	311,620
Directors current account	64,486	265,515
Other creditors	314,029	365,960
	<u>1,130,529</u>	<u>1,470,399</u>
	<u><u>1,130,529</u></u>	<u><u>1,470,399</u></u>
10 Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loans	1,477,706	1,717,346
	<u>1,477,706</u>	<u>1,717,346</u>
	<u><u>1,477,706</u></u>	<u><u>1,717,346</u></u>
Analysis of loans		
Not wholly repayable within five years by instalments	865,068	986,377
Wholly repayable within five years	1,150,638	1,328,969
	<u>2,015,706</u>	<u>2,315,346</u>
Included in current liabilities	(269,000)	(299,000)
	<u>1,746,706</u>	<u>2,016,346</u>
	<u><u>1,746,706</u></u>	<u><u>2,016,346</u></u>
Instalments not due within five years	865,068	986,377
	<u>865,068</u>	<u>986,377</u>
	<u><u>865,068</u></u>	<u><u>986,377</u></u>

Bank loans are secured by fixed and floating charges over the company's assets

LONDON & SURREY PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

11 Share capital	2008	2007
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
379 Ordinary shares of £1 each	379	379
	<u> </u>	<u> </u>
12 Statement of movements on reserves		
	Share premium account	Profit and loss account
	£	£
Balance at 1 April 2007	1,637,414	8,494,901
Profit for the year	-	885,733
Dividends paid	-	(350,000)
	<u> </u>	<u> </u>
Balance at 31 March 2008	1,637,414	9,030,634
	<u> </u>	<u> </u>
13 Capital commitments	2008	2007
	£	£
At 31 March 2008 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	1,121,076	83,337
	<u> </u>	<u> </u>

14 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements

15 Control

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

LONDON & SURREY PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

16 Related party transactions

During the year the company paid rent of £40,000 (2007 £40,000) and management fees of £74,796 (2007 £74,498) at arm's length to Lawrence Smith & Co, a practice owned by Mr C L Smith, one of the company's directors. Included in trade debtors are amounts totalling £72,443 (2007 £226,850) relating to net rents held by Lawrence Smith & Co, the company's managing agents. Included in accruals are amounts totalling £28,127 (2007 £nil) due to Lawrence Smith & Co. Other creditors include £182,545 (2007 £192,545) due from Deemark Limited, in which the company's directors are also directors and Mrs A M Smith has a controlling interest.

As at 31 March 2008 amounts totalling £64,486 (2007 £265,515) were due to Mr C L Smith and included in creditors.