

Company Registration No. 1321490 (England and Wales)

**LONDON & SURREY PROPERTY HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**REGISTRAR'S COPY**  
**OF ACCOUNTS**

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

Ref 4272

WEDNESDAY



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# **LONDON & SURREY PROPERTY HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Mr C L Smith<br>Mr A C Smith   |
| <b>Secretary</b>         | Mr S A Khan  |
| <b>Company number</b>    | 1321490  |
| <b>Registered office</b> | Parkway House<br>Sheen Lane<br>East Sheen<br>London SW14 8LS   |
| <b>Auditors</b>          | Cavendish<br>Chartered Certified Accountants<br>Registered Auditors<br>4th Floor, Centre Heights<br>137 Finchley Road<br>London NW3 6JG  |
| <b>Business address</b>  | Parkway House<br>Sheen Lane<br>East Sheen<br>London SW14 8LS   |
| <b>Bankers</b>           | Bank of Scotland<br>St. James's Gate<br>14-16 Cockspur Street<br>London SW1Y 5BL<br><br>Nationwide Building Society<br>6 Tanners Road<br>London Road<br>Bagshot<br>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 2009**

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The directors present their report and financial statements for the year ended 31 March 2009.

### 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 2008:

Mrs A M Smith

(Resigned 23 December 2008)

Mr C L Smith

Mr A C Smith

### Auditors

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

### Statement of 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 these 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 A C Smith

Director

21 January 2010



# **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 for the year ended 31 March 2009 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 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

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#### 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 2009 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

22 January 2010

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 2009

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|  |           | 2009             | 2008             |
|--|-----------|------------------|------------------|
|  | Notes     | £                | £                |
| <b>Turnover</b>                                      |           | 2,061,282        | 2,079,075        |
| Operating costs                                      |           | (696,115)        | (682,011)        |
| Administrative expenses                              |           | (212,228)        | (191,186)        |
| Other operating income                               |           | 396,448          | 134,732          |
| <b>Operating profit</b>                              | <b>2</b>  | <b>1,549,387</b> | <b>1,340,610</b> |
| Investment income                                    | <b>3</b>  | 20               | 20               |
| Other interest receivable and similar income         | <b>3</b>  | 11,654           | 6,079            |
| Interest payable and similar charges                 |           | (152,614)        | (159,608)        |
| <b>Profit on ordinary activities before taxation</b> |           | <b>1,408,447</b> | <b>1,187,101</b> |
| Tax on profit on ordinary activities                 | <b>4</b>  | (401,359)        | (301,368)        |
| <b>Profit for the year</b>                           | <b>12</b> | <b>1,007,088</b> | <b>885,733</b>   |

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# LONDON & SURREY PROPERTY HOLDINGS LIMITED

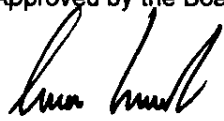

## BALANCE SHEET

AS AT 31 MARCH 2009

|  | Notes   | 2009<br>£          | £ | 2008<br>£          | £ |
|--|---------|--------------------|---|--------------------|---|
| <b>Fixed assets</b>  |         |                    |   |                    |   |
| Tangible assets  | 6 and 7 | 14,259,000         |   | 13,162,032         |   |
| <b>Current assets</b>  |         |                    |   |                    |   |
| Debtors  | 8       | 215,695            |   | 114,530            |   |
| Cash at bank and in hand                                       |         | 100                |   | 100                |   |
|  |         | <u>215,795</u>     |   | <u>114,630</u>     |   |
| <b>Creditors: amounts falling due within one year</b>          | 9       | <u>(1,812,245)</u> |   | <u>(1,130,529)</u> |   |
| <b>Net current liabilities</b>                                 |         | <u>(1,596,450)</u> |   | <u>(1,015,899)</u> |   |
| <b>Total assets less current liabilities</b>                   |         | 12,662,550         |   | 12,146,133         |   |
| <b>Creditors: amounts falling due after more than one year</b> | 10      | <u>(1,187,035)</u> |   | <u>(1,477,706)</u> |   |
|  |         | <u>11,475,515</u>  |   | <u>10,668,427</u>  |   |
| <b>Capital and reserves</b>                                    |         |                    |   |                    |   |
| Called up share capital  | 11      | 379                |   | 379                |   |
| Share premium account  | 12      | 1,637,414          |   | 1,637,414          |   |
| Profit and loss account  | 12      | 9,837,722          |   | 9,030,634          |   |
| <b>Shareholders' funds</b>                                     |         | <u>11,475,515</u>  |   | <u>10,668,427</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 21 January 2010

   
Mr A C Smith  
Director

Company Registration No. 1321490



# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

### 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                           | 2009              | 2008              |
|---|--|-------------------|-------------------|
|   |  | £                 | £                 |
|   | Operating profit is stated after charging: |                   |                   |
|   | Auditors' remuneration                     | 8,400             | 8,400             |
|   | Directors' emoluments                      | 69,405            | 66,399            |
|   | Profit on sale of tangible assets          | (396,448)         | (134,732)         |
|   |  | <u>          </u> | <u>          </u> |
| 3 | Investment income                          | 2009              | 2008              |
|   |  | £                 | £                 |
|   | Income from fixed asset investments        | 20                | 20                |
|   | Bank interest                              | 11,654            | 6,079             |
|   |  | <u>          </u> | <u>          </u> |
|   |  | 11,674            | 6,099             |
|   |  | <u>          </u> | <u>          </u> |

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

|          |                                  |                |                |
|----------|----------------------------------|----------------|----------------|
| <b>4</b> | <b>Taxation</b>                  | <b>2009</b>    | <b>2008</b>    |
|          |                                  | £              | £              |
|          | <b>Domestic current year tax</b> |                |                |
|          | U.K. corporation tax             | 369,985        | 301,368        |
|          | Adjustment for prior years       | 31,374         | -              |
|          | <b>Current tax charge</b>        | <u>401,359</u> | <u>301,368</u> |

|          |                       |                |                |
|----------|-----------------------|----------------|----------------|
| <b>5</b> | <b>Dividends</b>      | <b>2009</b>    | <b>2008</b>    |
|          |                       | £              | £              |
|          | Ordinary interim paid | <u>200,000</u> | <u>350,000</u> |

|          |                                    |  |                                    |
|----------|------------------------------------|--|------------------------------------|
| <b>6</b> | <b>Tangible fixed assets</b>       |  | <b>Plant and<br/>machinery etc</b> |
|          |                                    |  | £                                  |
|          | <b>Cost</b>                        |  |                                    |
|          | At 1 April 2008 & at 31 March 2009 |  | <u>528,491</u>                     |
|          | <b>Depreciation</b>                |  |                                    |
|          | At 1 April 2008 & at 31 March 2009 |  | <u>528,491</u>                     |
|          | <b>Net book value</b>              |  |                                    |
|          | At 31 March 2009                   |  | <u>-</u>                           |

|          |                              |  |                                  |
|----------|------------------------------|--|----------------------------------|
| <b>7</b> | <b>Tangible fixed assets</b> |  | <b>Investment<br/>properties</b> |
|          |                              |  | £                                |
|          | <b>Cost</b>                  |  |                                  |
|          | At 1 April 2008              |  | 13,162,032                       |
|          | Additions                    |  | 1,140,153                        |
|          | Disposals                    |  | (43,185)                         |
|          | At 31 March 2009             |  | <u>14,259,000</u>                |

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

| 8 Debtors  | 2009<br>£        | 2008<br>£        |
|--|------------------|------------------|
| Trade debtors  | 78,788           | 72,443           |
| Other debtors  | 136,907          | 42,087           |
|  | <u>215,695</u>   | <u>114,530</u>   |
|  |                  |                  |
| 9 Creditors: amounts falling due within one year           | 2009<br>£        | 2008<br>£        |
| Bank loans and overdrafts                                  | 941,318          | 448,175          |
| Taxation and social security                               | 372,586          | 303,839          |
| Other creditors  | 498,341          | 378,515          |
|  | <u>1,812,245</u> | <u>1,130,529</u> |
|  |                  |                  |
| 10 Creditors: amounts falling due after more than one year | 2009<br>£        | 2008<br>£        |
| Bank loans   | 1,187,035        | 1,477,706        |
|  | <u>1,187,035</u> | <u>1,477,706</u> |
|  |                  |                  |
| <b>Analysis of loans</b>                                   |                  |                  |
| Not wholly repayable within five years by instalments      | 671,035          | 865,068          |
| Wholly repayable within five years                         | 775,761          | 881,638          |
|  | <u>1,446,796</u> | <u>1,746,706</u> |
| Included in current liabilities                            | (259,761)        | (269,000)        |
|  | <u>1,187,035</u> | <u>1,477,706</u> |
|  |                  |                  |
| Instalments not due within five years                      | <u>671,035</u>   | <u>865,068</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 2009

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|   |                   |                   |
|---|-------------------|-------------------|
| <b>11 Share capital</b>                   | <b>2009</b>       | <b>2008</b>       |
|   | <b>£</b>          | <b>£</b>          |
| <b>Authorised</b>                         |                   |                   |
| 1,000 Ordinary shares of £1 each          | 1,000             | 1,000             |
|   | <u>          </u> | <u>          </u> |
| <b>Allotted, called up and fully paid</b> |                   |                   |
| 379 Ordinary shares of £1 each            | 379               | 379               |
|   | <u>          </u> | <u>          </u> |

### 12 Statement of movements on reserves

|                          | <b>Share premium account</b> | <b>Profit and loss account</b> |
|--------------------------|------------------------------|--------------------------------|
|                          | <b>£</b>                     | <b>£</b>                       |
| Balance at 1 April 2008  | 1,637,414                    | 9,030,634                      |
| Profit for the year      | -                            | 1,007,088                      |
| Dividends paid           | -                            | (200,000)                      |
|                          | <u>          </u>            | <u>          </u>              |
| Balance at 31 March 2009 | 1,637,414                    | 9,837,722                      |
|                          | <u>          </u>            | <u>          </u>              |

### 13 Capital commitments

|  |                   |                   |
|--|-------------------|-------------------|
|  | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| At 31 March 2009 the company had capital commitments as follows: |                   |                   |
| Contracted for but not provided in the financial statements      | 709,438           | 1,121,076         |
|  | <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 Mr C L Smith by virtue of his shareholdings in the company.

# LONDON & SURREY PROPERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2009**

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### 16 Related party transactions

During the year the company paid rent of £50,000 (2008: £40,000) and management fees of £94,819 (2008: £74,796) 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 £78,788 (2008: £72,443) relating to net rents held by Lawrence Smith & Co, the company's managing agents. Also accruals include £94,671 (2008: £28,127) due to managing agents, Lawrence Smith & Co. Other creditors include £233,848 (2008: £182,545) due from Deemark Limited, in which the company's directors are also directors.

As at 31 March 2009 amounts totalling £86,133 (2008: £64,486) were due to Mr C L Smith and included in creditors.