

Accountants and business advisors

LORD STREET PROPERTIES  
(SOUTHPORT) LIMITED

(Company Registration Number 50429)

Annual Report

Year Ended 31 March 2004



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COMPANIES HOUSE 29/06/04

# **LORD STREET PROPERTIES (SOUTHPORT) LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	Mrs M G Pedlar, MA - Chairman Mrs N M V Lynch, BA(Hons) T A V Pedlar P J Hitchcock, MA, FRICS
<b>Secretary</b>	G J Good, BSc, FCA
<b>Registered office</b>	281 Lord Street Southport PR8 1NY
<b>Solicitors</b>	Brabners Chaffe Street Liverpool
<b>Auditors</b>	PKF Sheffield
<b>Bankers</b>	The Royal Bank of Scotland plc Southport

# **LORD STREET PROPERTIES (SOUTHPORT) LIMITED**

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**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the one hundred and first annual general meeting of the company will be held at the offices of Lord Street Properties (Southport) Limited, First floor, 281 Lord Street, Southport at 12 noon on Tuesday, 27 July 2004 to transact the following business:

1. To receive the financial statements for the year ended 31 March 2004 and the Directors' and independent Auditors' reports thereon.
2. To declare a dividend.
3. To appoint the auditors of the company and to authorise the directors to fix their remuneration.
4. To appoint directors.
5. To transact any other ordinary business.

21 June 2004  
Southport



By order of the board

G J GOOD

Secretary

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on a poll, in his stead. A proxy need not also be a member of the company.

# **LORD STREET PROPERTIES (SOUTHPORT) LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report together with the financial statements for the year ended 31 March 2004.

### **1. RESULTS AND DIVIDENDS**

The profit for the financial year after taxation was **£446,276** (2003: £635,859).

During the year an interim dividend of **£25** per share was paid absorbing **£918,700**. The Directors now recommend a final ordinary dividend of **£10** per share absorbing a further **£367,480**.

### **2. REVIEW OF THE BUSINESS**

The principal activity of the company during the year was property investment and management.

The directors are satisfied with the results and state of affairs and are confident that the future strategy of the company will be successful.

### **3. DIRECTORS**

The directors at the end of the year and their beneficial interests in the shares of the company throughout the year were as follows:

	<b>Ordinary shares</b>	
	<b>31.3.04</b>	<b>31.3.03</b>
Mrs M G Pedlar, MA	<b>14,348</b>	14,348
T A V Pedlar	<b>422</b>	422
Mrs N M V Lynch, BA(Hons)	<b>420</b>	420
P J Hitchcock, MA, FRICS	<b>-</b>	-

The director retiring by rotation is Mr T A V Pedlar who, being eligible, offers himself for re-election.

### **4. 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;

# **LORD STREET PROPERTIES (SOUTHPORT) LIMITED**

## **DIRECTORS' REPORT**

### **4. DIRECTORS' RESPONSIBILITIES - continued**

- \* 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 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.

The directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

### **5. FIXED ASSETS**

Movements in fixed assets are shown in note 9 to the financial statements.

The directors are of the opinion that the current value of land and buildings is in excess of book value, but they believe that it would not be the best use of company funds to commission a professional valuation at this time.

### **6. CHARITABLE DONATIONS**

During the year the company donated **£26,000** to charitable causes.

### **7. STATUS**

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

### **8. AUDITORS**

PKF are eligible for re-appointment as auditors to the company and a resolution proposing their re-appointment will be proposed at the AGM.

21 June 2004  
Southport



By order of the board

G J GOOD

Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LORD STREET PROPERTIES (SOUTHPORT) LIMITED**

We have audited the financial statements of Lord Street Properties (Southport) Limited for the year ended 31 March 2004, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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 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. However, the evidence available to us was limited because the directors have not obtained recent valuations of the investment properties in order to enable them to be included in the financial statements at their open market values in accordance with Statement of Standard Accounting Practice No.19 (SSAP 19). In the absence of such valuations, we are unable to determine the impact that the departure from SSAP 19 might have on the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LORD STREET PROPERTIES (SOUTHPORT) LIMITED**

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 THE ACCOUNTING  
TREATMENT OF INVESTMENT PROPERTIES AND LIMITATION IN AUDIT SCOPE**

As noted above the investment properties have not been included in the financial statements at their open market values.

Except for the non-compliance with the above aspect of SSAP 19 and except for the adjustments, if any, that might have been necessary had the open market values of the company's investment properties been determined, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect only of the limitation on our work relating to the company's investment properties we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

**22 June 2004**

PKF

*AK*

Sheffield, UK

Registered Auditors



**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2004**

	Notes	2004 £	2003 £
<b>TURNOVER</b>	<b>2</b>	<b>875,286</b>	<b>948,673</b>
External charges		233,497	151,667
		<hr/>	<hr/>
		<b>641,789</b>	<b>797,006</b>
		<hr/>	<hr/>
Staff costs	<b>4</b>	<b>69,203</b>	<b>63,963</b>
Depreciation		23,213	22,875
		<hr/>	<hr/>
		<b>92,416</b>	<b>86,838</b>
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>549,373</b>	<b>710,168</b>
Profit on the sale of freehold investment property		-	86,055
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>549,373</b>	<b>796,223</b>
		<hr/>	<hr/>
Interest payable	<b>5</b>	<b>(10)</b>	<b>(253)</b>
Interest receivable	<b>6</b>	<b>57,617</b>	<b>63,450</b>
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>606,980</b>	<b>859,420</b>
		<hr/>	<hr/>
Tax on profit on ordinary activities	<b>7</b>	<b>160,704</b>	<b>223,561</b>
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>446,276</b>	<b>635,859</b>
		<hr/>	<hr/>
Dividends	<b>8</b>	<b>1,286,180</b>	<b>367,480</b>
		<hr/>	<hr/>
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		<b>(839,904)</b>	<b>268,379</b>
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**BALANCE SHEET**  
**31 MARCH 2004**

	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	9	5,779,448	5,730,424
Investments	10	25,256	25,256
		<hr/>	<hr/>
		5,804,704	5,755,680
<b>CURRENT ASSETS</b>			
Debtors	11	85,353	111,346
Cash at bank and in hand		1,249,100	2,135,003
		<hr/>	<hr/>
		1,334,453	2,246,349
<b>CREDITORS - Amounts falling due within one year</b>	12	904,099	925,705
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		430,354	1,320,644
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,235,058	7,076,324
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	51,850	53,212
		<hr/>	<hr/>
<b>NET ASSETS</b>		6,183,208	7,023,112
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	36,748	36,748
Share premium account	15	2,056	2,056
Capital redemption reserve	15	89,102	89,102
Profit and loss account	15	6,055,302	6,895,206
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	6,183,208	7,023,112
		<hr/>	<hr/>

Approved by the board on 21. 6.04

MRS M G PEDLAR, MA - Director

*Mary Pedlar*

**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Group accounts**

These are the financial statements of the parent company only. The company is exempt from the requirement to prepare group accounts as it qualifies as a small group under Section 248 of the Companies Act 1985.

**Investment properties**

Investment properties are included in the balance sheet at cost and not at their open market value as required by Statement of Standard Accounting Practice No.19 because the directors believe that the cost of such valuation would outweigh any benefits which might be received by the members.

No depreciation or amortisation has been provided in respect of the investment properties. This is a departure from the Companies Act 1985 which requires the systematic annual depreciation of fixed assets. The directors believe that it is inappropriate to charge depreciation or amortisation because the properties are held for their investment potential and that the departure is therefore necessary in order for the financial statements to give a true and fair view. The amount of depreciation and amortisation which might otherwise be provided cannot be separately identified or quantified.

**Tangible fixed assets and depreciation**

With respect to freehold investment properties, see 'Investment properties' above.

Other tangible assets are depreciated by equal annual instalments over their estimated useful lives as follows:

Fixtures and fittings	- over 8 years
Motor vehicles	- over 4 years

**Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

**2. TURNOVER**

Turnover represents the income from rents and services provided during the year, stated net of value added tax, and all arose in the United Kingdom from the principal continuing activity.

**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

<b>3. OPERATING PROFIT</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
This is stated after charging (crediting):		
Auditors' remuneration		
Audit fee	5,250	5,100
Income from rents and services	(875,286)	(953,221)
	<u>          </u>	<u>          </u>
Directors' remuneration:		
Emoluments	43,473	42,930
	<u>          </u>	<u>          </u>

None of the directors are accruing retirement benefits under a defined benefit pension scheme.

<b>4. STAFF PARTICULARS</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Staff costs comprised:		
Wages and salaries	63,201	59,446
Social security costs	6,002	4,517
	<u>          </u>	<u>          </u>
	69,203	63,963
	<u>          </u>	<u>          </u>

The average weekly number of employees excluding non-executive directors during the year was as follows:

	<b>Number</b>	<b>Number</b>
Office and management	3	3
	<u>          </u>	<u>          </u>

<b>5. INTEREST PAYABLE</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	10	253
	<u>          </u>	<u>          </u>
<b>6. INTEREST RECEIVABLE</b>		
Bank interest	57,345	62,729
Other interest	272	721
	<u>          </u>	<u>          </u>
	57,617	63,450
	<u>          </u>	<u>          </u>

**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	2004 £	2003 £
Current tax:		
UK corporation tax on profits of the year	171,300	227,481
Adjustments in respect of previous years	(9,234)	(2,420)
	<hr/> 162,066	<hr/> 225,061
Deferred tax:		
Current tax on income for year	(1,362)	(1,500)
	<hr/> 160,704	<hr/> 223,561

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of <sup>30</sup>~~X~~% (2003: 30%). The differences are explained below.

Profit on ordinary activities before tax	606,980	859,420
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%).	182,094	257,826
Effects of:		
Capital allowances in excess of depreciation	2,565	1,720
Expenses not deductible for tax purposes	10,044	30
Indexation on capital gains	-	(13,081)
Marginal rate relief	(23,403)	(19,014)
Adjustment to tax charge in respect of previous years	(9,234)	(2,420)
	<hr/> 162,066	<hr/> 225,061

8. DIVIDENDS	2004 £	2003 £
Ordinary – interim paid at £25 per share (2003: £ nil)	918,700	-
Ordinary - final proposed at £10 per share (2003: £10)	367,480	367,480
	<hr/> 1,286,180	<hr/> 367,480

**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

9. TANGIBLE FIXED ASSETS	Freehold investment properties £	Plant and motors £	Total £
<b>Cost</b>			
At 1 April 2003	5,645,757	165,764	5,811,521
Additions	70,047	2,189	72,236
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2004	5,715,804	167,953	5,883,757
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 2003	-	81,097	81,097
Charge for year	-	23,212	23,212
On disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2004	-	104,309	104,309
	<hr/>	<hr/>	<hr/>
<b>Net book amounts</b>			
At 31 March 2004	5,715,804	63,644	5,779,448
	<hr/>	<hr/>	<hr/>
At 1 April 2003	5,645,757	84,667	5,730,424
	<hr/>	<hr/>	<hr/>

**10. INVESTMENTS**

	£
Subsidiary undertakings	
Cost at 31 March 2003 and 31 March 2004	25,256
	<hr/>

The subsidiary undertakings, which are incorporated in Great Britain, have been dormant throughout the year. The proportion of the nominal value of the shares held in each subsidiary undertaking is as follows:

West Street (Southport) Limited	- 3.85% first cumulative preference shares of £1 each 100%
	- 3.85% second cumulative preference shares of £1 each 100%
	- ordinary shares of £1 each 100%
West Street (Southport) Car Park Limited	- ordinary shares of £1 each 100%

**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**10. INVESTMENTS (continued)**

The aggregate of the capital and reserves of each subsidiary undertaking at 31 March 2004 was as follows:

	£
West Street (Southport) Limited	33,140
West Street (Southport) Car Park Limited	1,493
	<u>          </u>

The directors are of the opinion that the aggregate value of the company's investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

<b>11. DEBTORS</b>	<b>2004</b>	<b>2003</b>
	£	£
Due within one year:		
Trade debtors	57,274	81,895
Prepayments and accrued income	28,079	29,451
	<u>          </u>	<u>          </u>
	85,353	111,346
	<u>          </u>	<u>          </u>

**12. CREDITORS**

Amounts falling due within one year:		
Trade creditors	60,250	22,323
Amounts due to subsidiary undertakings	34,636	34,636
Corporation tax	171,300	227,481
Other taxation and social security	36,198	33,569
Other creditors and accruals	234,235	240,216
Proposed dividend	367,480	367,480
	<u>          </u>	<u>          </u>
	904,099	925,705
	<u>          </u>	<u>          </u>

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	£
Deferred taxation:	
At 1 April 2003	53,212
Credited to profit and loss account	(1,362)
	<u>          </u>
	51,850
	<u>          </u>

**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**13. PROVISIONS FOR LIABILITIES AND CHARGES (continued)**

Deferred tax is analysed as follows:

	2004 £	2003 £
Capital allowances	51,850	53,212
	<u>51,850</u>	<u>53,212</u>

**14. CALLED UP SHARE CAPITAL**

There was no change in share capital during the year.

	Authorised £	Allotted & fully paid £
Ordinary shares of £1 each	75,000	36,748
	<u>75,000</u>	<u>36,748</u>

**15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES**

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2003	36,748	2,056	89,102	6,895,206	7,023,112
Profit for the year	-	-	-	446,276	446,276
Dividends	-	-	-	(1,286,180)	(1,286,180)
	<u>36,748</u>	<u>2,056</u>	<u>89,102</u>	<u>6,055,302</u>	<u>6,183,208</u>
At 31 March 2004	36,748	2,056	89,102	6,055,302	6,183,208

**16. PENSION SCHEME**

Up to January 1999 the company operated a defined benefit scheme which was funded by the payment of contributions to a separate trustee administered fund. The last valuation was 6 April 1997. A triennial valuation was not undertaken as at 6 April 2000 as the fund was in the process of being wound up. OPRA, the regulating body gave a dispensation to the fund waiving the valuation requirement.

As at June 2001, the assets of the fund were transferred to Legal and General Assurance Society Limited and they have been managing the fund as from that date. There are currently no active members, only pensioners in receipt of pension and deferred annuitants below normal retirement age. Since September 2001, Legal and General Assurance Society Limited have also been responsible for all pension payments.



**LORD STREET PROPERTIES (SOUTHPORT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2004**

**16. PENSION SCHEME (continued)**

The company is currently finalising the formalities necessary to complete the formal wind-up of the fund. It is anticipated that these will be completed during the current financial year.