

Registered number: 156482

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SNOWBEST LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2008

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SNOWBEST LIMITED

COMPANY INFORMATION

DIRECTORS

A. S. Perloff
S. J. Peters
J. T. Doyle
J. H. Perloff

COMPANY SECRETARY

S. J. Peters

COMPANY NUMBER

156482

REGISTERED OFFICE

Panther House
38 Mount Pleasant
London
WC1X 0AP

AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Registered Auditors
Prospect House
2 Athenaeum Road
Whetstone
London
N20 9YU

SNOWBEST LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Note of historical cost profits and losses	7
Balance sheet	8
Notes to the financial statements	9 - 15

SNOWBEST LIMITED

DIRECTORS' REPORT for the year ended 31 December 2008

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be holding properties for resale.

BUSINESS REVIEW

The directors are pleased with the results for the year and expect the position of the company to be maintained in the coming year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £274,373 (2007 - £227,443).

A final dividend of £Nil (£Nil per share) (2007 - £1,100,000, (£61.13 per share)) on ordinary shares was paid during the year.

SNOWBEST LIMITED

DIRECTORS' REPORT for the year ended 31 December 2008

DIRECTORS

The directors who served during the year were:

A. S. Perloff
S. J. Peters
J. T. Doyle
J. H. Perloff

FINANCIAL RISK MANAGEMENT

The company is a member of the Panther Securities PLC group. The principal activity of the individual companies within the group is property investment and dealing. The financial risk management procedures set out below are employed by all companies within the Panther Securities PLC group. The group's operations expose it to a variety of financial risks the main two being the effects of changes in credit risk of tenants and interest rate movement exposure on borrowings. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The group also uses derivative financial instruments to protect against adverse interest rate movements, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK. The group also has a price exposure on listed equities that are held as investments. The group has a policy of holding only a small proportion of its assets as listed investments.

Credit risk

The group has implemented policies that require appropriate credit checks on potential tenants before lettings are agreed. In most cases a deposit is requested unless the tenant can provide a strong personal or other guarantee. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board. Exposure is also reduced significantly as the group has a large spread of tenants who operate in different industries.

Liquidity risk

The group actively ensures liquidity by maintaining a long-term finance facility and also holds significant cash deposits which are both to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets are cash balances which earn interest at fixed rate. The group has a policy of only borrowing debt to finance the purchase of cash generating assets. The directors will revisit the appropriateness of this policy should the group operations change in size or nature.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The company agrees terms and conditions for transactions with suppliers and payment is made on these terms, subject to the supplier meeting the agreed terms and conditions.

SNOWBEST LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2008

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29/4/2009 and signed on its behalf.



S. J. Peters
Secretary

SNOWBEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SNOWBEST LIMITED

We have audited the financial statements of Snowbest Limited for the year ended 31 December 2008, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Profits and Losses and related notes numbered 1 to 21. 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 Auditors' 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 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 judgments 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.

SNOWBEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SNOWBEST LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 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.



NEXIA SMITH & WILLIAMSON

Chartered Accountants
Registered Auditors

Prospect House
2 Athenaeum Road
Whetstone
London
N20 9YU

Date: 18 May 2009

SNOWBEST LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2008

	Note	2008 £	2007 £
TURNOVER	1,2	544,463	585,739
Cost of sales		<u>(80,816)</u>	<u>(176,726)</u>
GROSS PROFIT		463,647	409,013
Administrative expenses		(56,479)	(55,834)
Other operating income	3	<u>3,039</u>	<u>1,947</u>
OPERATING PROFIT	4	410,207	355,126
EXCEPTIONAL ITEMS	8		
Revaluation of investment property	8	<u>(91,998)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		318,209	355,126
Interest receivable		2,556	6,626
Interest payable	5	<u>-</u>	<u>(152)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		320,765	361,600
Tax on profit on ordinary activities	7	<u>(46,392)</u>	<u>(134,157)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u>274,373</u>	<u>227,443</u>

All amounts relate to continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

SNOWBEST LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2008

	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR	274,373	227,443
Gross (deficit) / surplus on revaluation of investment properties	(433,397)	221,342
Deficit recognised in profit and loss on revaluation of investment properties	91,998	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(67,026)	448,785

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 December 2008

	2008 £	2007 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	320,765	361,600
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	320,765	361,600
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	274,373	227,443

The notes on pages 9 to 15 form part of these financial statements.

SNOWBEST LIMITED

BALANCE SHEET
as at 31 December 2008

		2008		2007	
	Note	£	£	£	£
FIXED ASSETS					
Investment property	10		1,949,187		1,605,000
CURRENT ASSETS					
Stocks	11	6,201,610		6,127,791	
Debtors	12	178,187		188,973	
Cash at bank		156,148		103,525	
		6,535,945		6,420,289	
CREDITORS: amounts falling due within one year	13	(8,094,289)		(7,567,420)	
NET CURRENT LIABILITIES			(1,558,344)		(1,147,131)
TOTAL ASSETS LESS CURRENT LIABILITIES			390,843		457,869
CAPITAL AND RESERVES					
Called up share capital	15		17,994		17,994
Investment property reserve	16		-		341,399
Profit and loss account	16		372,849		98,476
SHAREHOLDERS' FUNDS	17		390,843		457,869

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29/4/2009



A. S. Perloff
Director

SNOWBEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 TURNOVER

Turnover represents the value of rents receivable for tenancy occupation in the year to 31 December. Any amounts received in advance or arrears are deferred or accrued as necessary.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	10% straight line
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1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.5 DEFERRED TAXATION

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

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

SNOWBEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1. ACCOUNTING POLICIES (continued)

1.6 INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19 as follows:

- i) investment properties are revalued annually by the directors and by independent professional valuers at intervals of not more than three years. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year; and
- ii) no depreciation is provided in respect of leasehold investment properties with over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary to give a true and fair view, since the current value of investment properties, and the changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2008 £	2007 £
Other operating income	<u>3,039</u>	<u>1,947</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets: - owned by the company	<u>-</u>	<u>125</u>

During the year, no director received any emoluments (2007 - £NIL).

At the year end there were no directors accruing pension benefits.

SNOWBEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008**

5. INTEREST PAYABLE

	2008 £	2007 £
Other interest payable	-	152
	<u> </u>	<u> </u>

6. AUDITORS' REMUNERATION

	2008 £	2007 £
Fees payable to the company's auditor for the audit of the company's annual accounts	7,500	7,500
	<u> </u>	<u> </u>

7. TAXATION

	2008 £	2007 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
UK corporation tax charge on profit for the year	119,365	132,973
Adjustments in respect of prior periods	(72,973)	1,184
	<u> </u>	<u> </u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u> </u> 46,392	<u> </u> 134,157

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2007 - higher than) the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	320,765	361,600
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	91,418	108,480
EFFECTS OF:		
Expenses not deductible for tax purposes	30,494	24,510
Capital allowances for year in excess of depreciation	(2,547)	(17)
Adjustments to tax charge in respect of prior periods	(72,973)	1,184
	<u> </u>	<u> </u>
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u> </u> 46,392	<u> </u> 134,157

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

SNOWBEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

8. EXCEPTIONAL ITEMS

	2008	2007
	£	£
Revaluation of investment property	<u>91,998</u>	<u>-</u>

At the year end the company's investment property was revalued to below its original cost.

9. TANGIBLE FIXED ASSETS

	Plant and machinery
	£
COST OR VALUATION	
At 1 January 2008 and 31 December 2008	<u>500</u>
DEPRECIATION	
At 1 January 2008 and 31 December 2008	<u>500</u>
NET BOOK VALUE	
At 31 December 2008	<u>-</u>
At 31 December 2007	<u>-</u>

10. INVESTMENT PROPERTY

	Freehold property
	£
COST AND VALUATION	
At 1 January 2008	1,605,000
Additions at cost	777,584
Surplus/(deficit) on revaluation	(433,397)
At 31 December 2008	<u>1,949,187</u>

Land and buildings held at 31 December 2008 were revalued by the Directors to market value.

At 31 December 2008, £1,949,187 (2007 - £1,605,000) included within the net book value of land and buildings relates to freehold land and buildings.

The historic cost of the properties was £2,041,185 (2007 - £1,263,601).

SNOWBEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

10. INVESTMENT PROPERTY (continued)

REVALUATION RESERVES

At 1 January 2008	341,399
Net deficit in investment properties	(341,399)
At 31 December 2008	-

11. STOCKS

	2008	2007
	£	£
Properties	6,201,610	6,127,791

12. DEBTORS

	2008	2007
	£	£
Trade debtors	142,318	162,615
Prepayments and accrued income	35,869	26,358
	178,187	188,973

SNOWBEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

**13. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade creditors	73,761	73,609
Amounts owed to group undertakings	7,456,832	6,963,642
Corporation tax	179,365	132,973
Social security and other taxes	29,057	29,382
Other creditors	173,702	227,996
Accruals and deferred income	181,572	139,818
	<u>8,094,289</u>	<u>7,567,420</u>

The inter company loans are interest free and repayable on demand; however there is no present intention to seek repayment of these loans.

There is a third party floating charge over all assets and undertakings of the company for the loan provided by HSBC Bank Plc to Panther Securities PLC.

14. PROVISIONS FOR LIABILITIES AND CHARGES

The additional potential liability for deferred taxation not provided was as follows:

	2008 £	2007 £
Potential capital gains	<u>72,150</u>	<u>204,653</u>

15. SHARE CAPITAL

	2008 £	2007 £
AUTHORISED		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
17,994 Ordinary shares of £1 each	<u>17,994</u>	<u>17,994</u>

SNOWBEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

16. RESERVES

	Investment property revaluation reserve £	Profit and loss account £
At 1 January 2008	341,399	98,476
Profit for the year	-	274,373
Movement on investment property	(341,399)	-
	<hr/>	<hr/>
At 31 December 2008	-	372,849
	<hr/> <hr/>	<hr/> <hr/>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	457,869	1,109,084
Profit for the year	274,373	227,443
Dividends	-	(1,100,000)
Other recognised gains and losses during the year	(341,399)	221,342
	<hr/>	<hr/>
Closing shareholders' funds	390,843	457,869
	<hr/> <hr/>	<hr/> <hr/>

18. DIVIDENDS

	2008 £	2007 £
Ordinary dividends paid £Nil per share (2007 - £61.13)	-	1,100,000
	<hr/> <hr/>	<hr/> <hr/>

19. CONTINGENT LIABILITIES

A guarantee has been given in respect of borrowing by the parent undertaking and fellow subsidiary undertakings for £42,500,000 (2007 - £35,010,936).

20. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemptions conferred under FRS 8, such that related party transactions need not be disclosed, because consolidated accounts including this company are publicly available.

21. PARENT UNDERTAKING

The company's ultimate parent company is Panther Securities PLC, a company incorporated in Great Britain.