

Company Registration No. 409591 (England and Wales)

**INVESTMENT & SECURITIES TRUST LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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# INVESTMENT & SECURITIES TRUST LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	L F Voice P H Silverman
<b>Secretary</b>	M J Ozin
<b>Company number</b>	409591
<b>Registered office</b>	118 Seymour Place London, W1H 1NP
<b>Auditors</b>	Wilson Wright & Co, Chartered Accountants, 71 Kingsway, London , WC2B 6ST
<b>Bankers</b>	National Westminster Bank plc

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# **INVESTMENT & SECURITIES TRUST LIMITED**

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# INVESTMENT & SECURITIES TRUST LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2007

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The directors submit their annual report and financial statements for the year ended 31 March 2007

### Principal activities

The company's principal activity is that of property dealing and investment

### Directors

The following directors have held office since 1 April 2006

L F Voice

P H Silverman

### Auditors

The auditors, Wilson Wright & Co, will be re-appointed in accordance with Section 386(2) of the companies Act 1985

### Directors' responsibilities

The directors are obliged under company law to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice for each financial year

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements. The directors must 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 also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements

The directors confirm that the above requirements have been complied with in the financial statements

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities

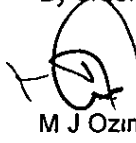
### Statement of disclosure to auditor

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

### Small company exemptions

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

By order of the board

  
M J Ozin  
Secretary  
22/08/2007

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# **INVESTMENT & SECURITIES TRUST LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF INVESTMENT & SECURITIES TRUST LIMITED**

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We have audited the financial statements of Investment & Securities Trust Limited on pages 4 to 10 for the year ended 31 March 2007 which have been prepared in accordance with the accounting policies set out on page 7 and the requirements of the Financial Reporting Standard for Smaller Entities(effective January 2005)

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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed. It work, for this report, or for the opinions we have formed

#### **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

# INVESTMENT & SECURITIES TRUST LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF INVESTMENT & SECURITIES TRUST LIMITED

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#### Opinion

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 2007 and of its loss for the year then ended,
- the information given in the directors' report is consistent with the financial statements

*Wilson Wright & Co*

**Wilson Wright & Co,**  
Chartered Accountants  
and Registered Auditors,  
71 Kingsway,  
London, WC2B 6ST

28 August 2007

**INVESTMENT & SECURITIES TRUST LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

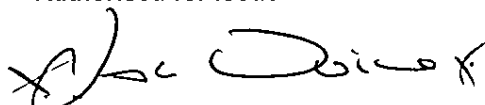
		2007		2006	
	Notes	£	£	£	£
Turnover	2		366,129		610,087
Direct costs			33,519		90,204
			<u>332,610</u>		<u>519,883</u>
Distribution and marketing costs		13,630		(574)	
Administrative and establishment expenses		<u>3,304,279</u>		<u>1,118,020</u>	
			3,317,909		1,117,446
<b>Operating Loss</b>			<b>(2,985,299)</b>		<b>(597,563)</b>
Income from investments		820		481	
Profit on sale of investment properties		-		6,902	
Interest receivable		<u>674,651</u>		<u>478,127</u>	
			675,471		485,510
			<b>(2,309,828)</b>		<b>(112,053)</b>
Provision for loan	14	586,111		-	
Interest payable		<u>-</u>		<u>42,356</u>	
			586,111		42,356
<b>Loss on Ordinary Activities before Taxation</b>			<b>(2,895,939)</b>		<b>(154,409)</b>
Taxation	4		654,000		55,478
<b>Loss for the Financial Year</b>	12		<b><u>(2,241,939)</u></b>		<b><u>(98,931)</u></b>

**INVESTMENT & SECURITIES TRUST LIMITED**  
**BALANCE SHEET AT 31 MARCH 2007**

	Notes	2007 £	£	2006 £	£
<b>Fixed Assets</b>					
Tangible assets	5	4,506,954		4,514,056	
<b>Current Assets</b>					
Stock		4,752,808		1,078,776	
Debtors	6	816,333		471,106	
Investments	7	180,399		4,035	
Cash at bank and in hand		5,203,299		18,713,057	
		<u>10,952,839</u>		<u>20,266,974</u>	
<b>Current Liabilities</b>					
Creditors amounts falling due within one year	8	<u>2,509,276</u>		<u>7,039,907</u>	
<b>Net Current Assets</b>			<u>8,443,563</u>		<u>13,227,067</u>
<b>Total Assets less Current Liabilities</b>			<u><u>12,950,517</u></u>		<u><u>17,741,123</u></u>
<b>Capital and Reserves</b>					
Called up share capital	11		100		100
Revaluation reserve	12		3,616,554		3,621,554
Profit and loss account	12		<u>9,333,863</u>		<u>14,119,469</u>
<b>Shareholders' Funds</b>			<u><u>12,950,517</u></u>		<u><u>17,741,123</u></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 2005)

Approved by the Board and  
 Authorised for Issue



L F Voice  
 Director

Date: 22/08/2007



**INVESTMENT & SECURITIES TRUST LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Loss for the Financial Year</b>	(2,241,939)	(98,931)
Corporation tax on transfer of realised profit	58,333	(5,158,778)
Unrealised deficit/surplus on revaluation	(5,000)	485,000
<b>Total Recognised Losses Relating to the Year</b>	<u>(2,188,606)</u>	<u>(4,772,709)</u>

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**1 Accounting Policies**

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

**1.2 Turnover**

Turnover represents sales of properties and rents receivable, all of which arises in the United Kingdom

**1.3 Tangible fixed assets**

Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life

Fixtures, fittings and equipment	10% / 33 33%
Motor vehicles	25%

No depreciation is charged on investment properties (see 1.7 below)

**1.4 Investments**

**1.5 Stock**

Stock is valued at the lower of cost and market value

**1.6 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes

No provision is made for deferred tax on gains recognised on revaluing property to its market value unless there is a binding contract for sale at the balance sheet date

**1.7 Investment properties**

In accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), no depreciation is provided on investment properties, and they are included in the Balance Sheet at their open market value

Any aggregate surplus or deficit arising on revaluation is transferred to the investment revaluation reserve. Deficits on individual investment properties that are expected to be permanent are charged to the profit and loss account

**2 Turnover**

	2007	2006
	£	£
Sales of properties	13,983	143,695
Rent receivable	352,146	466,392
	<u>366,129</u>	<u>610,087</u>

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

<b>3 Operating loss</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging		
Depreciation of tangible assets	2,101	3,435
Auditors' remuneration	6,750	6,750
Directors' emoluments	3,154,203	1,222,022

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

<b>4 Taxation</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
The tax credit on the loss on ordinary activities for the year was as follows		
UK corporation tax	598,000	97,778
Deferred taxation	56,000	(49,000)
	654,000	48,778
Adjustment to previous year	-	6,700
	654,000	55,478

**5 Tangible Fixed Assets**

	<b>Land and buildings Freehold</b>	<b>Land and buildings Leasehold</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>					
At 1 April 2006	4,280,000	230,000	19,214	65,950	4,595,164
Revaluation	-	(5,000)	-	-	(5,000)
Disposals	-	-	-	(65,950)	(65,950)
At 31 March 2007	4,280,000	225,000	19,214	-	4,524,214
<b>Depreciation</b>					
At 1 April 2006	-	-	15,159	65,949	81,108
On disposals	-	-	-	(65,949)	(65,949)
Charge for year	-	-	2,101	-	2,101
At 31 March 2007	-	-	17,260	-	17,260
<b>Net book values</b>					
At 31 March 2007	4,280,000	225,000	1,954	-	4,506,954
At 31 March 2006	4,280,000	230,000	4,055	1	4,514,056

The freehold and leasehold properties have been revalued by the directors on an open market value basis

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

<b>6 Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Other debtors	138,333	447,106
Corporation tax repayable	598,000	-
Deferred tax asset (see note 9)	80,000	24,000
	<u>816,333</u>	<u>471,106</u>

Debtors include an amount of £80,000 (2006 - £24,000) which is due after more than one year

<b>7 Current Asset Investments</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Listed investments at cost	<u>180,399</u>	<u>4,035</u>
market value	<u>191,745</u>	<u>13,501</u>

<b>8 Creditors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year		
Trade creditors	31	1,743
Amounts owed to group undertakings	1,559,415	1,670,673
Corporation tax	-	5,061,000
Social security and other taxes	832,775	234,838
Other creditors	117,055	71,653
	<u>2,509,276</u>	<u>7,039,907</u>

**9 Deferred Taxation**

The amounts provided and not provided for deferred taxation were as follows

	<b>2007</b>		<b>2006</b>	
	<b>Provided</b>	<b>Not provided</b>	<b>Provided</b>	<b>Not provided</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Timing differences	(80,000)	-	(24,000)	-
Surplus on revaluation of land and buildings	-	865,000	-	884,000
	<u>-</u>	<u>865,000</u>	<u>-</u>	<u>884,000</u>

**INVESTMENT & SECURITIES TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**10 Pension costs**

The company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company to the funds and amounted to £26010 (2006-£64080)

<b>11 Share capital</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 Ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>

**12 Statement of Movements on Reserves**

	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2006	3,621,554	14,119,469
Loss for the financial year	-	(2,241,939)
Dividends paid	-	(2,602,000)
Corporation tax reduction on transfer of prior year realised profit	-	58,333
Deficit on revaluation	(5,000)	-
	<u>          </u>	<u>          </u>
Balance at 31 March 2007	3,616,554	9,333,863
	<u>          </u>	<u>          </u>

**13 Control**

The company is a wholly owned subsidiary of Woolcastle Limited. The ultimate controlling party is L F Voice. In accordance with FRS 8 transactions with Woolcastle Limited or fellow group companies have not been disclosed as the consolidated financial statements of Woolcastle are publicly available.

**14 Related party transactions**

(a) L F Voice has a controlling interest in Lisa Productions Limited, which at 31 March 2007 owed the company £586,111 (at 31 March 2006 - £326,027)

(b) L F Voice has a material interest in Lincoln Mercantile Limited which at 31 March 2007 was owed by the company £7,240 (at 31 March 2006 - £7,240)