



Grant Thornton

# Financial statements Iverna Investments Limited

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**For the Year Ended 31 March 2009**

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**Company No. 551844**

## Officers and professional advisers

<b>Company registration number</b>	551844
<b>Registered office</b>	9 De Walden Court 85 New Cavendish Street London W1W 6XD
<b>Directors</b>	D Reiss E Bond M Reiss C Geller
<b>Secretary</b>	M Reiss
<b>Bankers</b>	National Westminster Bank Plc 125 Great Portland Street London W1A 1GA
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House Melton Street Euston Square London NW1 2EP

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## Report of the directors

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

### Principal activities

The company is principally engaged in property investment.

### Directors

The directors who served the company during the year were as follows:

D Reiss  
E Bond  
M Reiss  
C Geller

### 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Donations**

Donations to charitable organisations amounted to £8,717 (2008: £6,161)

**Auditor**

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD



M Reiss

Director

Date: 10.08.2009



## Report of the independent auditor to the members of Iverna Investments Limited

We have audited the financial statements of Iverna Investments Limited for the year ended 31 March 2009 on pages 9 to 14. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention and the accounting policies set out on pages 7 to 8.

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.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of 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.

## Report of the independent auditor to the members of Iverna Investments Limited (continued)

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.

### **Qualified opinion arising from disagreement about accounting treatment**

Certain of the tangible assets shown on the balance sheet are investment properties carried at a historic cost of £298,643. In our opinion, these properties should be valued at their open market value as required by Statement of Standard Accounting Practice 19 (SSAP 19). It is not possible for us to state the effect this has had on the financial statements because a valuation has not been performed.

Except for the failure to account for the properties referred to above as required by SSAP 19, in our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2009.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

London

Date: 10 August 2009

## Accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

### **Turnover**

Turnover is the total amount receivable by the company in the ordinary course of business from the rental of properties.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings                      -     reducing balance basis at 25% per annum.

Investment properties are included at cost as explained in note 7 to the financial statements. Depreciation is not provided in respect of freehold investment properties.

Provision is made in the profit and loss account for any permanent diminution in value of investment properties.

### **Disposal of investment properties**

Profits and losses on the disposal of investment properties, after any taxation arising thereon, although distributable are regarded by the directors as being of a capital nature.

### **Deferred taxation**

Deferred tax is recognised on all timing difference where the transactions or events that give the company an obligation to pay more, or a right to pay less, tax in the future have occurred by the balance sheet date.

Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.



### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### **Investments**

Investments are included at cost less amounts written off.

### **Income from fixed asset investments**

Dividend income from fixed asset investments is accounted for on a received basis.

## Profit and loss account

	Note	2009 £	2008 £
Rents receivable		400,814	392,552
Property expenses		306,602	252,167
Gross profit		94,212	140,385
Other operating charges	1	119,713	87,287
Other operating income	2	(245,333)	(180,722)
<b>Operating profit</b>	3	<b>219,832</b>	<b>233,820</b>
Interest receivable and similar income	4	33,859	43,834
<b>Profit on ordinary activities before taxation</b>		<b>253,691</b>	<b>277,654</b>
Tax on profit on ordinary activities	5	19,959	33,250
<b>Profit for the financial year</b>	13	<b>233,732</b>	<b>244,404</b>

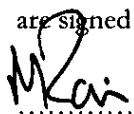
The accompanying accounting policies and notes form part of these financial statements.

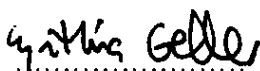
## Balance sheet

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	7	562,492	461,411
Investments	8	19,408	19,408
		<u>581,900</u>	<u>480,819</u>
<b>Current assets</b>			
Debtors	9	40,199	36,896
Cash at bank		667,136	744,283
		<u>707,335</u>	<u>781,179</u>
<b>Creditors: amounts falling due within one year</b>	10	590,516	597,011
<b>Net current assets</b>		<u>116,819</u>	<u>184,168</u>
<b>Total assets less current liabilities</b>		<u>698,719</u>	<u>664,987</u>
<b>Capital and reserves</b>			
Called-up equity share capital	12	60,000	60,000
Other reserves	13	76,553	76,553
Profit and loss account	13	562,166	528,434
<b>Shareholders' funds</b>		<u>698,719</u>	<u>664,987</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 10.08.2009 and are signed on their behalf by:

  
.....  
M Reiss

  
.....  
C Geller

## Notes to the financial statements

### 1 Other operating charges

	2009 £	2008 £
Administrative expenses	<u>119,713</u>	<u>87,287</u>

### 2 Other operating income

	2009 £	2008 £
Other operating income	<u>245,333</u>	<u>180,722</u>

### 3 Operating profit

Operating profit is stated after charging:

	2009 £	2008 £
Directors' emoluments	26,000	26,000
Depreciation of owned fixed assets	87,949	73,442
Auditor's fees	<u>4,100</u>	<u>3,763</u>

### 4 Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	24,859	34,834
Other similar income receivable	<u>9,000</u>	<u>9,000</u>
	<u>33,859</u>	<u>43,834</u>

### 5 Taxation on ordinary activities

Analysis of charge in the year

	2009 £	2008 £
Current tax:		
UK Corporation tax based on the results for the year	20,000	35,000
Over provision in prior year	<u>(41)</u>	<u>(1,750)</u>
Total current tax	<u>19,959</u>	<u>33,250</u>

## 6 Dividends

### Dividends on shares classed as equity

	2009 £	2008 £
Paid during the year:		
Equity dividends on ordinary shares	<u>200,000</u>	<u>200,000</u>
Proposed after the year-end (not recognised as a liability):		
Equity dividends on ordinary shares	<u>200,000</u>	<u>200,000</u>

## 7 Tangible fixed assets

	Investment properties £	Fixtures & fittings £	Total £
Cost			
At 1 April 2008	241,084	878,826	1,119,910
Additions	<u>57,559</u>	<u>131,471</u>	<u>189,030</u>
At 31 March 2009	<u>298,643</u>	<u>1,010,297</u>	<u>1,308,940</u>
Depreciation			
At 1 April 2008	–	658,499	658,499
Charge for the year	<u>–</u>	<u>87,949</u>	<u>87,949</u>
At 31 March 2009	<u>–</u>	<u>746,448</u>	<u>746,448</u>
Net book value			
At 31 March 2009	<u>298,643</u>	<u>263,849</u>	<u>562,492</u>
At 31 March 2008	<u>241,084</u>	<u>220,327</u>	<u>461,411</u>

The investment properties are included in the balance sheet at cost. SSAP 19, Accounting for Investment Properties, states that investment properties should be included at their open market values. Although the directors are aware that the market values may exceed cost they do not consider that the time and expense involved in an external valuation of the properties would be merited, and in their opinion any such valuation would serve no practical purpose.

## 8 Investments

	Shares in participating interests £
Cost	
At 1 April 2008 and 31 March 2009	<u>19,408</u>
Net book value	
At 31 March 2009	<u>19,408</u>
At 31 March 2008	<u>19,408</u>

At 31 March 2009 the company held more than 20% of the allotted ordinary share capital of the following companies, registered in England and Wales:

	Aggregate capital and reserves £	Profit/ (loss) for the year £
25% Cowley Street Investments (Westminster) Limited	937,776	245,614
50% Ralwood Securities Limited	2,036,088	335,878
50% Thorngate Holdings Limited	75,091	5,904
50% Thornmead Holdings Limited	46,166	27,032
50% Thornmead Investments Limited	737,232	(24,932)
22% Woodmond Securities Limited	113,630	160,926

The directors are of the opinion that the aggregate value of the company's interest in these undertakings is not less than the aggregate at which they are included in the company's balance sheet. The accounts of all the above undertakings have a qualified audit report because of the inclusion of investment properties at cost. This is not in accordance with the Statement of Standard Accounting Practice 19.

## 9 Debtors

	2009 £	2008 £
Amounts owed by related undertakings	9,000	9,000
Prepayments and accrued income	<u>31,199</u>	<u>27,896</u>
	<u>40,199</u>	<u>36,896</u>

## 10 Creditors: amounts falling due within one year

	2009 £	2008 £
Corporation tax	21,666	35,000
PAYE and social security	16,110	17,479
Directors' loan accounts	457,439	457,439
Accruals and deferred income	<u>95,301</u>	<u>87,093</u>
	<u>590,516</u>	<u>597,011</u>

# 11 Related party transactions

During the year the company was charged managing agents' commission of £5,000 (2008:£3,000) by C Geller. This amount was outstanding at the year end (2008:£3,000).

The company was charged accountancy, secretarial and office management fees of £12,500 (2008:£12,500) by Holland and Reiss, a firm owned by M Reiss. This amount was outstanding at the year end (2008:£12,500).

The company levied service charges of £9,000 (2008:£9,000) on Ralwood Securities Limited, a related undertaking. This balance is due at the year end (2008:£9,000).

# 12 Share capital

Authorised share capital:

	2009	2008
	£	£
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>

# 13 Reserves

	Capital reserve	Profit and loss account
	£	£
At 1 April 2008	76,553	528,434
Profit for the year	–	233,732
Equity dividends	–	(200,000)
At 31 March 2009	<u>76,553</u>	<u>562,166</u>

# 14 Capital commitments

The company had no capital commitments at 31 March 2009 or 31 March 2008.

# 15 Contingent liabilities

There were no contingent liabilities at 31 March 2009 or 31 March 2008.