

Company Registration No 00553823 (England and Wales)

**COURTENAY INVESTMENTS LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2011**

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# **COURTENAY INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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**Directors**

L J Osband  
R A S Osband  
S Hillman  
M J Main  
G Davies (alternate director)  
P M E Osband

**Secretary**

M P Smith

**Company number**

00553823

**Registered office**

Royal Geographical Society Building  
1 Kensington Gore  
London  
SW7 2AR

**Auditors**

Gerald Edelman  
25 Harley Street  
London  
W1G 9BR

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# **COURTENAY INVESTMENTS LIMITED**

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# COURTENAY INVESTMENTS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JANUARY 2011**

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The directors present their report and financial statements for the year ended 31 January 2011

### Principal activities

The principal activity of the company during the year continued to be that of property investment

### Results and dividends

The results for the year are set out on page 5

No dividends were paid during the year

### Directors

The following directors have held office since 1 February 2010

|                               |                        |
|-------------------------------|------------------------|
| E Osband                      | (Resigned 2 July 2010) |
| L J Osband                    |                        |
| R A S Osband                  |                        |
| S Hillman                     |                        |
| M J Main                      |                        |
| G Davies (alternate director) |                        |
| P M E Osband                  |                        |

| Charitable donations                                    | 2011<br>£ | 2010<br>£ |
|---|-----------|-----------|
|   |           |           |
| During the year the company made the following payments |           |           |
| Charitable donations                                    | -         | 6,000     |

### Auditors

In accordance with the company's articles, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting

# **COURTENAY INVESTMENTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2011**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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

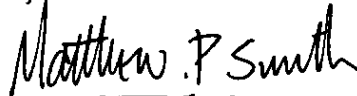
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any 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 15 of the Companies Act 2006 relating to small companies.

By order of the board



M P Smith

**Secretary**

3 August 2011

# **COURTENAY INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF COURTENAY INVESTMENTS LIMITED**

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We have audited the financial statements of Courtenay Investments Limited for the year ended 31 January 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **COURTENAY INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF COURTENAY INVESTMENTS LIMITED**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or



**N Summer (Senior Statutory Auditor)**  
for and on behalf of Gerald Edelman

3 August 2011

**Chartered Accountants**  
**Statutory Auditor**

25 Harley Street  
London  
W1G 9BR

# COURTENAY INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2011

|   | Notes     | 2011<br>£   | 2010<br>£   |
|---|-----------|-------------|-------------|
| <b>Rents receivable</b>                                     |           | 2,665,531   | 2,446,930   |
| Other property income                                       |           | -           | 35,000      |
| Property expenses   |           | (721,240)   | (860,072)   |
| <b>Gross profit</b>   |           | 1,944,291   | 1,586,858   |
| Administrative expenses                                     |           | (1,940,990) | (1,954,946) |
| Other operating income                                      |           | 50,000      | 105,000     |
| <b>Operating profit/(loss)</b>                              | <b>3</b>  | 53,301      | (228,088)   |
| Other interest receivable and similar income                |           | 1,138       | 2,012       |
| <b>Profit/(loss) on ordinary activities before taxation</b> |           | 54,439      | (226,076)   |
| Tax on profit/(loss) on ordinary activities                 | <b>4</b>  | (12,867)    | -           |
| <b>Profit/(loss) for the year</b>                           | <b>10</b> | 41,572      | (226,076)   |

The profit and loss account has been prepared on the basis that all operations are continuing operations



## **COURTENAY INVESTMENTS LIMITED**

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JANUARY 2011**

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|   | <b>2011</b> | <b>2010</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Profit/(loss) for the financial year</b>                   | 41,572      | (226,076)   |
| Unrealised surplus on revaluation of properties               | 24,072,199  | -           |
| <b>Total recognised gains and losses relating to the year</b> | 24,113,771  | (226,076)   |

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# COURTENAY INVESTMENTS LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2011

|  | Notes | 2011<br>£         | £ | 2010<br>£         | £ |
|--|-------|-------------------|---|-------------------|---|
| <b>Fixed assets</b>                                  |       |                   |   |                   |   |
| Tangible assets                                      | 5     | 31,486,874        |   | 7,426,674         |   |
| <b>Current assets</b>                                |       |                   |   |                   |   |
| Debtors  | 6     | 5,447,977         |   | 6,160,966         |   |
| Cash at bank and in hand                             |       | 1,043,567         |   | 269,335           |   |
|  |       | <u>6,491,544</u>  |   | <u>6,430,301</u>  |   |
| <b>Creditors amounts falling due within one year</b> | 7     | <u>(718,138)</u>  |   | <u>(710,466)</u>  |   |
| <b>Net current assets</b>                            |       | <u>5,773,406</u>  |   | <u>5,719,835</u>  |   |
| <b>Total assets less current liabilities</b>         |       | <u>37,260,280</u> |   | <u>13,146,509</u> |   |
| <b>Capital and reserves</b>                          |       |                   |   |                   |   |
| Called up share capital                              | 9     | 719,250           |   | 719,250           |   |
| Revaluation reserve                                  | 10    | 24,072,199        |   | -                 |   |
| Other reserves                                       | 10    | 6,888,777         |   | 6,888,777         |   |
| Profit and loss account                              | 10    | <u>5,580,054</u>  |   | <u>5,538,482</u>  |   |
| <b>Shareholders' funds</b>                           | 11    | <u>37,260,280</u> |   | <u>13,146,509</u> |   |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Approved by the Board and authorised for issue on 3 August 2011

*RAS. Osband*

R A S Osband  
Director

Company Registration No 00553823

# COURTENAY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold and long leasehold investment properties

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

#### 1.3 Rent receivable

Rent receivable represents amounts receivable from third parties, arising from the principal activity carried out in the United Kingdom

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold and long leasehold properties are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

|                                |                          |
|--------------------------------|--------------------------|
| Computer equipment             | 33.33% per annum on cost |
| Fixtures, fittings & equipment | 25% per annum on cost    |

Freehold and long leasehold investment properties are shown at their open market values

Although this accounting policy is in accordance with the applicable accounting standard SSAP19, Accounting for Investment Properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is one of the many factors reflected in the annual valuation and the amount of this which might otherwise have been changed cannot be separately identified or quantified.

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### 1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision is made for the potential liability to the taxation which would arise in the event of the realisation of the investment properties held at the balance sheet date at the amount at which they are stated in the financial statements. If the investment properties were disposed of, the taxation liability could amount to approximately £1,095,000.

# COURTENAY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2011

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

| 3 Operating profit/(loss)                        | 2011<br>£ | 2010<br>£ |
|--|-----------|-----------|
| Operating profit/(loss) is stated after charging |           |           |
| Amortisation of reverse lease premium            | 33,300    | 33,300    |
| Depreciation of tangible assets                  | 21,346    | 22,905    |
| Operating lease rentals                          | 48,763    | 48,689    |
| Auditors' remuneration                           |           |           |
| - Statutory audit                                | 29,963    | 30,467    |
| - Tax compliance                                 | 1,000     | 1,000     |

| 4 Taxation   | 2011<br>£ | 2010<br>£ |
|--|-----------|-----------|
| <b>Domestic current year tax</b>   |           |           |
| U K corporation tax  | 12,867    | -         |
| <b>Total current tax</b>   | 12,867    | -         |
| <b>Factors affecting the tax charge for the year</b>   |           |           |
| Profit/(loss) on ordinary activities before taxation   | 54,439    | (226,076) |
| Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%) | 15,243    | (63,301)  |
| Effects of   |           |           |
| Non deductible expenses  | 15,580    | (16,047)  |
| Capital allowances   | (12,547)  | 16,758    |
| Group relief   | -         | 67,640    |
| Other tax adjustments  | (5,409)   | (5,050)   |
|  | (2,376)   | 63,301    |
| <b>Current tax charge for the year</b>   | 12,867    | -         |

The company has a potential liability to deferred taxation of approximately £95,000 arising from a possible future reversal of the flat conversion allowance on sale of the converted property

# COURTENAY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2011

### 5 Tangible fixed assets

|                           | Freehold<br>investment<br>properties<br>£ | Long<br>leasehold<br>investment<br>properties<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Total<br>£ |
|---------------------------|---|--|---|------------|
| <b>Cost and valuation</b> |   |  |   |            |
| At 1 February 2010        | 7,289,984                                 | 77,817   | 139,733                                   | 7,507,534  |
| Additions                 | -   | -  | 9,347                                     | 9,347      |
| Revaluation               | 23,445,016                                | 627,183  | -   | 24,072,199 |
| At 31 January 2011        | 30,735,000                                | 705,000  | 149,080                                   | 31,589,080 |
| <b>Depreciation</b>       |   |  |   |            |
| At 1 February 2010        | -   | -  | 80,860                                    | 80,860     |
| Charge for the year       | -   | -  | 21,346                                    | 21,346     |
| At 31 January 2011        | -   | -  | 102,206                                   | 102,206    |
| <b>Net book value</b>     |   |  |   |            |
| At 31 January 2011        | 30,735,000                                | 705,000  | 46,874                                    | 31,486,874 |
| At 31 January 2010        | 7,289,984                                 | 77,817   | 58,873                                    | 7,426,674  |

The company's investment properties were valued by the directors on an open market basis as at 31 January 2011 (2010 At cost), by reference to informal advice taken from a firm of Chartered Surveyors. The historical cost of the properties as at 31 January 2011 was approximately £7,368,000.

### 6 Debtors

|                                    | 2011<br>£ | 2010<br>£ |
|------------------------------------|-----------|-----------|
| Trade debtors                      | 31,239    | 70,040    |
| Amounts owed by group undertakings | 5,263,249 | 5,961,712 |
| Other debtors                      | 100,438   | -         |
| Prepayments and accrued income     | 53,051    | 129,214   |
|                                    | 5,447,977 | 6,160,966 |

# COURTENAY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2011

| 7 | Creditors amounts falling due within one year | 2011<br>£      | 2010<br>£      |
|---|---|----------------|----------------|
|   | Trade creditors                               | 21,671         | -              |
|   | Corporation tax                               | 12,867         | -              |
|   | Other taxes and social security costs         | 99,947         | 63,361         |
|   | Other creditors                               | 8,854          | 11,275         |
|   | Accruals and deferred income                  | 574,799        | 635,830        |
|   |   | <u>718,138</u> | <u>710,466</u> |

### 8 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

|   | 2011<br>£     | 2010<br>£     |
|---|---------------|---------------|
| Contributions payable by the company for the year | <u>10,417</u> | <u>12,563</u> |

| 9 | Share capital                      | 2011<br>£      | 2010<br>£      |
|---|------------------------------------|----------------|----------------|
|   | Allotted, called up and fully paid |                |                |
|   | 719,250 Ordinary shares of £1 each | <u>719,250</u> | <u>719,250</u> |

### 10 Statement of movements on reserves

|                             | Revaluation<br>reserve<br>£ | Other<br>reserves<br>£ | Profit and<br>loss<br>account<br>£ |
|-----------------------------|-----------------------------|------------------------|------------------------------------|
| Balance at 1 February 2010  | -                           | 6,888,777              | 5,538,482                          |
| Profit for the year         | -                           | -                      | 41,572                             |
| Revaluation during the year | <u>24,072,199</u>           | <u>-</u>               | <u>-</u>                           |
| Balance at 31 January 2011  | <u>24,072,199</u>           | <u>6,888,777</u>       | <u>5,580,054</u>                   |

Other reserves represent accumulated surpluses realised on sales of properties which, in accordance with the Articles of Association, are credited to a non-distributable reserve.

# COURTENAY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2011

| 11 Reconciliation of movements in shareholders' funds | 2011<br>£  | 2010<br>£  |
|---|------------|------------|
| Profit/(Loss) for the financial year                  | 41,572     | (226,076)  |
| Other recognised gains and losses                     | 24,072,199 | -          |
| Net addition to/(depletion in) shareholders' funds    | 24,113,771 | (226,076)  |
| Opening shareholders' funds                           | 13,146,509 | 13,372,585 |
| Closing shareholders' funds                           | 37,260,280 | 13,146,509 |

### 12 Financial commitments

At 31 January 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2012

|                               | Land and buildings<br>2011<br>£ | 2010<br>£ |
|-------------------------------|---------------------------------|-----------|
| Operating leases which expire |                                 |           |
| Between two and five years    | 11,625                          | 11,625    |
| In over five years            | 30,764                          | 30,764    |
|                               | 42,389                          | 42,389    |

| 13 Capital commitments  | 2011<br>£ | 2010<br>£ |
|---|-----------|-----------|
| At 31 January 2011 the company had capital commitments as follows |           |           |
| Contracted for but not provided in the financial statements       | -         | 40,000    |

| 14 Directors' remuneration   | 2011<br>£ | 2010<br>£ |
|--|-----------|-----------|
| Remuneration for qualifying services   | 1,280,786 | 1,394,576 |
| Company pension contributions to defined contribution schemes                                | 4,188     | 12,563    |
|  | 1,284,974 | 1,407,139 |
| Remuneration disclosed above include the following amounts paid to the highest paid director |           |           |
| Remuneration for qualifying services   | 284,748   | 396,750   |

# COURTENAY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2011

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

|                | 2011<br>Number | 2010<br>Number |
|----------------|----------------|----------------|
| Administration | 13             | 13             |

#### Employment costs

|                       | 2011<br>£        | 2010<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,572,062        | 1,588,897        |
| Social security costs | 205,210          | 201,148          |
| Other pension costs   | 10,417           | 12,563           |
|                       | <u>1,787,689</u> | <u>1,802,608</u> |

### 16 Control

The ultimate holding company is Courtenay Trust Limited

### 17 Related party transactions

Included within other income are management fees of £50,000 (2010 - £105,000) receivable from either related companies or from companies under common control

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company



# COURTENAY INVESTMENTS LIMITED

## SCHEDULE OF PROPERTY EXPENSES AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 JANUARY 2011

|   | 2011<br>£        | 2010<br>£        |
|---|------------------|------------------|
| <b>Property expenses</b>                      |                  |                  |
| Rent  | 30,764           | 30,764           |
| Rates   | 22,542           | 100,422          |
| Insurance                                     | (10,934)         | 28,184           |
| Repairs and maintenance                       | 48,628           | 220,072          |
| Services charges - not recovered from tenants | -                | 13,258           |
| Property management fees                      | 114,245          | 63,588           |
| Legal and professional fees                   | 320,033          | 203,110          |
| Bad debts                                     | 17,386           | 99,458           |
| Sundry expenses                               | 125,276          | 47,916           |
| Amortisation of reverse lease premium         | 33,300           | 33,300           |
| Depreciation on FF & E                        | 20,000           | 20,000           |
|   | <u>721,240</u>   | <u>860,072</u>   |
| <b>Administrative expenses</b>                |                  |                  |
| Wages and salaries (excl N I )                | 291,276          | 194,321          |
| Directors' remuneration                       | 1,280,786        | 1,394,576        |
| Employer's N I contributions                  | 205,210          | 201,148          |
| Directors' pension costs                      | 4,188            | 12,563           |
| Staff pension                                 | 6,229            | -                |
| Recruitment cost                              | 11,750           | 4,600            |
| Pensions paid to former employees             | 3,500            | 3,500            |
| Private health plan                           | 47,952           | 47,510           |
| Rent and rates                                | 17,999           | 17,925           |
| Office expenses                               | 1,786            | 963              |
| Cleaning                                      | 203              | -                |
| Printing, postage, stationery and travel      | 10,551           | 6,796            |
| Telephone and fax                             | 4,091            | 3,612            |
| Computer running costs                        | 5,936            | 5,766            |
| Entertaining                                  | 1,000            | 1,181            |
| Audit fees                                    | 30,963           | 31,467           |
| Bank charges                                  | 10,687           | 17,297           |
| Staff refreshments                            | 1,250            | 2,005            |
| Sundry expenses                               | 380              | -                |
| Charitable donations                          | -                | 6,000            |
| Subscriptions                                 | 3,907            | 811              |
| Depreciation on FF & E                        | 1,346            | 2,905            |
|   | <u>1,940,990</u> | <u>1,954,946</u> |