

THE LONDON
& NORTHUMBERLAND
ESTATES COMPANY LIMITED

REPORT AND ACCOUNTS

YEAR ENDED
25th MARCH 2006



THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED

INDEX TO THE FINANCIAL STATEMENTS

| | Page |
|-------------------------------------|-------|
| Company Information | 2 |
| Directors' Report | 3 |
| Balance Sheet | 4 |
| Profit and Loss Account | 5 |
| Notes to the Financial Statements | 6 - 8 |
| Trading and Profit and Loss Account | 9 |

THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS:

A. A. Duma
T. R. Pickett

SECRETARY:

A. A. Duma

REGISTERED OFFICE:

18 Bentinck Street
London W1M 5RL

REGISTERED NUMBER:

898328

BANKERS:

Barclays Bank plc.,
50 Pall Mall
London SW1A 1QA

THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED

DIRECTORS' REPORT

The directors present their report with the financial statements of the company for the year ended 25th March 2006.

Statement of 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 surplus/deficit of the company for that period. In preparing those financial statements, the directors are required to

select suitable accounting policies and apply them consistently;

make judgements and estimates that are reasonable and prudent, and;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with 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.

Results

The financial statements show a profit after taxation of £35,492 (2005: loss £19,017) which when added to the balance brought forward leaves a balance to be carried forward of £168,976 (2005: £133,484). The directors do not recommend a payment of a dividend.

Directors and their interests

The directors who served during the year and their interests in the share capital of the company are as follows:

| | Ordinary shares of £1 each | |
|---------------|----------------------------|---------|
| | 25.3.06 | 25.3.05 |
| A. A. Duma | 99 | 99 |
| T. R. Pickett | - | - |

Close company provisions

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

ON BEHALF OF THE BOARD


A. A. DUMA
SECRETARY

Dated: 18th July 2006

THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED

BALANCE SHEET AS AT 25TH MARCH 2006

| | Notes | £ | 2006 £ | £ | 2005 £ |
|---|-------|----------------------|-------------------------|--------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 2 | | 739,219 | | 709,244 |
| CURRENT ASSETS | | | | | |
| Debtors | 3 | 3,894 | | 26,127 | |
| Cash at bank | | <u>-</u> | | <u>89</u> | |
| | | 3,894 | | 26,216 | |
| CREDITORS: Amounts falling due within one year | 4 | <u>15,495</u> | | <u>2,300</u> | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>(11,601)</u> | | <u>23,916</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 727,618 | | 733,160 |
| CREDITORS: Amounts falling due after one year | 5 | | <u>182,595</u> | | <u>223,629</u> |
| | | | £ <u>545,023</u> | | £ <u>509,531</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 6 | | 100 | | 100 |
| Profit and loss account | | | 168,976 | | 133,484 |
| Revaluation reserve | 8 | | <u>375,947</u> | | <u>375,947</u> |
| | | | £ <u>545,023</u> | | £ <u>509,531</u> |

The directors confirm that the company is entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 and that no notice has been deposited under Section 249B(2) in relation to its accounts for the financial year.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the company.

APPROVED BY THE BOARD



A. A. DUMA - Director

Dated: 18th July 2006

THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 25TH MARCH 2006

| | Notes | £ | 2006 £ | 2005 £ |
|---|-------|----------------------|-------------------------|------------------|
| RENTS RECEIVABLE | | 36,600 | | 40,928 |
| Less: Direct letting expenses | | <u>2,083</u> | | <u>1,600</u> |
| | | | 34,517 | 39,328 |
| OTHER OPERATING INCOME | | | <u>84,800</u> | <u>6,800</u> |
| OPERATING PROFIT | | | 119,317 | <u>46,128</u> |
| Property related expenses | | 43,760 | | 43,899 |
| Other operating expenses | | 10,861 | | 14,562 |
| Interest payable and similar charges | | 1,146 | | 6,684 |
| Amount written off investments | | <u>23,948</u> | | <u>-</u> |
| | | | <u>79,715</u> | <u>65,145</u> |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | 7 | | 39,602 | (19,017) |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | 10 | | <u>4,110</u> | <u>-</u> |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION | | | 35,492 | (19,017) |
| Balance brought forward | | | <u>133,484</u> | <u>152,501</u> |
| BALANCE CARRIED FORWARD | | | £ <u>168,976</u> | £ <u>133,484</u> |

The company has no recognised gains or losses other than those included in the profits above and, therefore, no separate statement of total recognised gains and losses has been presented.

THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2006

1. Accounting policies

i) Accounting convention

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

ii) Depreciation

Depreciation is charged on furniture and equipment at 10% p.a. on the reducing balance basis.

iii) Investment property

In accordance with the provisions of SSAP, the directors have elected not to depreciate the investment property.

2. Tangible fixed assets

| | Start of Year £ | Additions £ | Disposals £ | End of Year £ |
|-------------------------|-----------------------|----------------|----------------|-------------------------|
| At cost or valuation | | | | |
| Freehold property | 630,000 | 28,661 | - | 658,661 |
| Furniture and equipment | <u>154,144</u> | <u>10,265</u> | <u>-</u> | <u>164,409</u> |
| | <u>784,144</u> | <u>38,926</u> | <u>-</u> | <u>823,070</u> |
| Depreciation | | | | |
| Freehold property | - | - | - | - |
| Furniture and equipment | <u>74,900</u> | <u>8,951</u> | <u>-</u> | <u>83,851</u> |
| Net Book Value | £ <u>709,244</u> | | | £ <u>739,219</u> |

3. Debtors

| | 2006 £ | 2005 £ |
|----------------------|-----------------------|------------------------|
| Loan to third party | 1,723 | - |
| Unquoted Investments | 1,671 | 25,619 |
| Fees receivable | 500 | 500 |
| Value added tax | <u>-</u> | <u>8</u> |
| | £ <u>3,894</u> | £ <u>26,127</u> |

THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2006

4. Creditors: Amounts falling due within one year

| | 2006 | 2005 |
|--|------------------------|-----------------------|
| | £ | £ |
| Value Added Tax | 3,129 | - |
| Bank loans and overdrafts | 5,056 | - |
| Other creditors including taxation and social security | 4,110 | - |
| Accruals and deferred income | <u>3,200</u> | <u>2,300</u> |
| | £ <u>15,495</u> | £ <u>2,300</u> |

5. Creditors: Amounts falling due after one year

| | 2006 | 2005 |
|-----------------|-------------------------|-------------------------|
| | £ | £ |
| Director's loan | £ <u>182,595</u> | £ <u>223,629</u> |

6. Called up share capital

| | 2006 | 2005 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Authorised 250,000 ordinary shares of £1 each | £ <u>250,000</u> | £ <u>250,000</u> |
| Issued and fully paid 100 ordinary shares of £1 each | £ <u>100</u> | £ <u>100</u> |

7. Profit

| | 2006 | 2005 |
|---|------------------------|------------------------|
| | £ | £ |
| Profit is stated after charging or crediting: | | |
| Administration expenses | | |
| Other costs | £ <u>10,861</u> | £ <u>14,562</u> |
| Property related expenses | | |
| Depreciation of owned assets | 8,951 | 8,805 |
| Other costs | <u>34,809</u> | <u>35,094</u> |
| | £ <u>43,760</u> | £ <u>43,899</u> |
| Other operating charges | | |
| Mortgage and other interest paid | £ <u>1,146</u> | £ <u>6,684</u> |
| Other operating income | | |
| Fees received | £ <u>84,800</u> | £ <u>6,800</u> |

THE LONDON & NORTHUMBERLAND ESTATES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2006

8. Revaluation Reserve

| | 2006 | 2005 |
|---|-----------------------|----------------|
| | £ | £ |
| Surplus arising on directors valuation of the Investment property | <u>375,947</u> | <u>375,947</u> |

9. Employees

The average weekly number of employees during the year is made up as follows:

| | 2006 | 2005 |
|------------|-----------------|----------|
| Management | <u>2</u> | <u>2</u> |

The company's only employees are the directors for whom remuneration was neither voted nor paid during the year.

10. Taxation

| | 2006 | 2005 |
|--|---------------------|----------|
| | £ | £ |
| (Over)/Under provision in previous years | - | - |
| Corporation tax based on the profit for the year | <u>4,110</u> | <u>-</u> |
| | £ 4,110 | £ - |

11. Reconciliation of movement in shareholders' funds

| | 2006 | 2005 |
|--|----------------------|-----------------|
| | £ | £ |
| Opening shareholders' funds | 133,584 | 152,601 |
| Profit/(Loss) attributable to shareholders | <u>35,492</u> | <u>(19,017)</u> |
| Closing shareholders' funds | £ 169,076 | £ 133,584 |