

**CAPITAL VALUE BROKERS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2010**

WEDNESDAY



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## **CAPITAL VALUE BROKERS LIMITED**

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### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	C V Bishop M R Bishop
<b>COMPANY SECRETARY</b>	D S Williams
<b>COMPANY NUMBER</b>	01528236
<b>REGISTERED OFFICE</b>	20 Pembroke Square Kensington London W8 6PA
<b>AUDITORS</b>	Reeves & Co LLP Chartered Accountants and Statutory Auditors Third Floor 24 Chiswell Street London EC1Y 4YX
<b>BANKERS</b>	National Westminster Bank plc 1 Finsbury Square London EC2A 1AA

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**CAPITAL VALUE BROKERS LIMITED**

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## **CAPITAL VALUE BROKERS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010**

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The directors present their report and the financial statements for the year ended 30 June 2010

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company continued to be that of a non trading investment company

#### **DIRECTORS**

The directors who served during the year were

C V Bishop  
M R Bishop

#### **AUDITORS**

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

#### **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 judgments 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 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.

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**CAPITAL VALUE BROKERS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2010**

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**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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on **22 DECEMBER 2010** and signed on its behalf

  
**C V Bishop**  
Director

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## **CAPITAL VALUE BROKERS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL VALUE BROKERS LIMITED**

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We have audited the financial statements of Capital Value Brokers Limited for the year ended 30 June 2010, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Statement of directors' responsibilities, 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 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.

#### **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 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

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**CAPITAL VALUE BROKERS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAPITAL VALUE BROKERS 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
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime

*Reeves & Co LLP*

Stephen Tanner BSc(Econ) FCA (Senior statutory auditor)

for and on behalf of

**REEVES & CO LLP**

Chartered Accountants and Statutory Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date *27<sup>th</sup> Dec 2010*

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**CAPITAL VALUE BROKERS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2010**

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	Note	2010 £	2009 £
Administrative expenses		(30,431)	(27,478)
<b>OPERATING LOSS</b>	2	(30,431)	(27,478)
Profit on disposal of investments		27,825	-
Interest receivable	5	708,222	502,132
Amounts written off investments		(339,986)	152,234
Interest payable		(547)	(49)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		365,083	626,839
Tax on profit on ordinary activities	6	(131,051)	(149,588)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>234,032</u>	<u>477,251</u>

The notes on pages 7 to 11 form part of these financial statements



**CAPITAL VALUE BROKERS LIMITED**  
**REGISTERED NUMBER: 01528236**

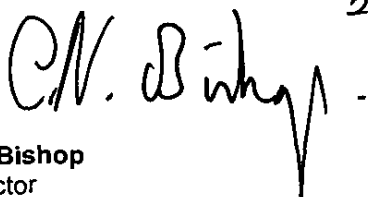
**BALANCE SHEET**  
**AS AT 30 JUNE 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Fixed asset investments	7		14,666,223		14,718,206
<b>CURRENT ASSETS</b>					
Debtors	8	330,109		204,426	
Cash at bank		23,932		51,667	
		<u>354,041</u>		<u>256,093</u>	
<b>CREDITORS:</b> amounts falling due within one year	9	(140,991)		(284,058)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>213,050</u>		<u>(27,965)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>14,879,273</u>		<u>14,690,241</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		2		2
Profit and loss account	12		14,879,271		14,690,239
<b>SHAREHOLDERS' FUNDS</b>			<u>14,879,273</u>		<u>14,690,241</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

22 DECEMBER 2010



**C V Bishop**  
Director

The notes on pages 7 to 11 form part of these financial statements

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## CAPITAL VALUE BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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#### 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 the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 1.2 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment

##### 1.3 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

##### 1.4 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

#### 2. OPERATING LOSS

The operating loss is stated after charging

	2010 £	2009 £
Auditors' remuneration	2,891	2,591
Auditors' remuneration - non-audit	3,318	-
Pension costs	-	1,128
	<u>          </u>	<u>          </u>

#### 3. DIRECTORS' REMUNERATION

	2010 £	2009 £
Aggregate emoluments	20,000	21,128
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to no directors (2009 - 1) in respect of money purchase pension schemes

**CAPITAL VALUE BROKERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**4. AMOUNTS WRITTEN OFF INVESTMENTS**

	<b>2010</b> £	<b>2009</b> £
Reversal of impairment losses	<b>6,560</b>	160,427
Impairment of fixed asset investments	<b>(346,546)</b>	(8,193)
Total	<b>(339,986)</b>	152,234

**5 INTEREST RECEIVABLE**

	<b>2010</b> £	<b>2009</b> £
Treasury stock interest	<b>708,222</b>	494,096
Other interest	-	8,086
Total	<b>708,222</b>	502,182

**6. TAXATION**

	<b>2010</b> £	<b>2009</b> £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b>		
UK corporation tax charge on profit for the year	<b>134,050</b>	255,500
Adjustments in respect of prior periods	<b>(999)</b>	24,588
<b>TOTAL CURRENT TAX</b>	<b>133,051</b>	280,088
<b>DEFERRED TAX (see note 10)</b>		
Origination and reversal of timing differences	<b>(2,000)</b>	(130,500)
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>131,051</b>	149,588

**CAPITAL VALUE BROKERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**6 TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2009 - *higher than*) the standard rate of corporation tax in the UK (28%). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>365,083</u>	<u>626,839</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	102,223	175,515
<b>EFFECTS OF:</b>		
Unrealised gains and losses on investments	35,079	78,989
Other adjustments	(3,252)	996
Adjustments to tax charge in respect of prior periods	(999)	24,588
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>133,051</u>	<u>280,088</u>

**7. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>COST OR VALUATION</b>	
At 1 July 2009	14,726,399
Additions	519,348
Disposals	(231,345)
At 30 June 2010	<u>15,014,402</u>
<b>IMPAIRMENT</b>	
At 1 July 2009	8,193
Charge for the year	346,546
Reversal of impairment losses	(6,560)
At 30 June 2010	<u>348,179</u>
<b>NET BOOK VALUE</b>	
At 30 June 2010	<u>14,666,223</u>
At 30 June 2009	<u>14,718,206</u>

The market value of the listed investments at 30 June 2010 was £15,360,462 (2009 - £15,134,486)

**CAPITAL VALUE BROKERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**8. DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Other debtors	<b>197,609</b>	73,926
Deferred tax asset (see note 10)	<b>132,500</b>	130,500
	<u><b>330,109</b></u>	<u><b>204,426</b></u>

The deferred tax balance is not expected to reverse within one year

**9. CREDITORS  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Corporation tax	<b>134,050</b>	281,150
Other creditors	<b>6,941</b>	2,908
	<u><b>140,991</b></u>	<u><b>284,058</b></u>

**10. DEFERRED TAX ASSET**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>130,500</b>	-
Created during year	<b>2,000</b>	130,500
	<u><b>132,500</b></u>	<u><b>130,500</b></u>

The deferred tax asset is made up as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Unrealised loan relationships gains	<b>132,500</b>	130,500

**11. SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 Ordinary shares of £1 each	<u><b>2</b></u>	<u><b>2</b></u>

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## CAPITAL VALUE BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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#### 12 RESERVES

	Profit and loss account £
At 1 July 2009	14,690,239
Profit for the year	234,032
Dividends Equity capital	(45,000)
	<hr/>
At 30 June 2010	14,879,271
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#### 13 DIVIDENDS

	2010 £	2009 £
Dividends paid on equity capital	45,000	-
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#### 14. PENSION COMMITMENTS

The company operates a defined contributions 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 charges payable by the company to the fund managers and amounted to £Nil (2009 £1,128).

#### 15. RELATED PARTY TRANSACTIONS

During the year, C V Bishop, a director of the company, was paid a salary of £20,000 (2009 £20,000) by the company.

Also in the year, a dividend was paid to the company's directors, C V Bishop and M R Bishop, for £22,500 each (2009 £Nil).

#### 16. CONTROLLING PARTY

The company is under the control of C V Bishop and M R Bishop who together own 100% of the share capital.