
LOWSLEM LIMITED

**UNAUDITED DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 18 MONTHS ENDED
31 JULY 2007**

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LOWSLEM LIMITED

COMPANY INFORMATION

DIRECTORS	D B A Davis R W Hassett
SECRETARY	D B A Davis
COMPANY NUMBER	1898603
REGISTERED OFFICE	Suite 123 The Knightsbridge 199 Knightsbridge London SW7 1RH

LOWSLEM LIMITED

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LOWSLEM LIMITED

DIRECTORS' REPORT For the 18 Months ended 31st July 2007

The directors present their report and the financial statements for the 18 months ended 31 July 2007

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 profit or loss of the company for that period. In preparing those 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 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 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 determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company was that of letting properties. No properties were owned during the period.

RESULTS AND DIVIDENDS

The Loss for the period, after taxation, amounted to £3,600 (*Year to 31st January 2006 - Profit £88,090*)

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were

	Ordinary shares of £1 each	
	31/7/07	1/2/06
D B A Davis	51	51
R W Hassett	49	49

This report was approved by the board on 14th December 2007 and signed on its behalf by


D B A Davis
Director

LOWSLEM LIMITED

UNAUDITED PROFIT AND LOSS ACCOUNT
For the 18 Months ended 31 July 2007

	Note	18 Months to 31/7/2007 £	12 Months to 31/1/2006 £
TURNOVER	1, 2	-	(360)
Administrative expenses		<u>(3,600)</u>	<u>(53,565)</u>
OPERATING LOSS	3	(3,600)	(53,925)
Profit on sale of Fixed Assets	3	-	149,480
Interest receivable		-	138
Interest payable	5	<u>-</u>	<u>(696)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,600)	94,997
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	6	<u>(0)</u>	<u>(6,907)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>£ (3,600)</u>	<u>£ 88,090</u>

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account

The notes on pages 4 to 8 form part of these financial statements

LOWSLEM LIMITED

**UNAUDITED BALANCE SHEET
As at 31 July 2007**

	Note	31/7/2007 £	£	31/1/2006 £	£
FIXED ASSETS					
Tangible fixed assets			-		-
CURRENT ASSETS					
Debtors	7	453,957		538,820	
Cash at bank		-		7,467	
					546,287
CREDITORS amounts falling due within one year	8	(1,450)		(90,180)	
NET CURRENT ASSETS			<u>452,507</u>		<u>456,107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>452,507</u>		<u>456,107</u>
CREDITORS amounts falling due after more than one year	9		(195,346)		(195,346)
NET ASSETS			<u>£ 257,161</u>		<u>£ 260,761</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account	11		257,061		260,661
SHAREHOLDERS' FUNDS - All Equity	12		<u>£ 257,161</u>		<u>£ 260,761</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 July 2007 and of its loss for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements were approved by the board on 14th December 2007 and signed on its behalf

D B A Davis
Director

The notes on pages 4 to 8 form part of these financial statements

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the 18 Months ended 31 July 2007

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of property and in accordance with applicable accounting standards

1.2 Cash flow

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

1.3 Turnover

Turnover comprises the value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts, within the period

1.4 Freehold Investment Properties

In accordance with SSAP19

(i) Investment properties are stated at their open market value and are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, except to the extent of any impairment in value below cost, which is taken to the profit and loss account, and

(ii) No depreciation or amortisation is provided in respect of freehold investment properties

Compliance with SSAP 19 "Accounting for Investment Properties" requires departures from the Companies Act 1985 relating to depreciation

The requirements of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principles set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. Depreciation or amortisation is one of many factors reflected in the annual valuation and the directors consider that the amount which might otherwise have been shown cannot be separately identified or quantified

1.5 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered

2 TURNOVER

The whole of the turnover is attributable to the letting of property

All turnover arose within the United Kingdom

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the 18 Months ended 31 July 2007

3. OPERATING PROFIT

During the period, no director received any emoluments apart from Benefits in Kind (2005 - £NIL)

	18 Months to 31/7/07	12 Months to 31/1/06
Profit on sale of Fixed Assets	£	
Proceeds	-	250,000
Net Book value at disposal	-	(100,520)
Profit on sale of Fixed Assets	<u>£ -</u>	<u>£ 149,480</u>

4. STAFF COSTS

Staff costs were as follows

	18 Months to 31/7/07	12 Months to 31/1/06
	£	£
Social security costs on Benefits in Kind	<u>£ 3,200</u>	<u>-</u>
	18 Months to 31/7/07	12 Months to 31/1/06
The average monthly number of employees, including directors	<u>2</u>	<u>2</u>

5. INTEREST PAYABLE

	18 Months to 31/7/07	12 Months to 31/1/06
	£	£
On bank loans and overdrafts	<u>£ -</u>	<u>£ 696</u>

6. TAXATION

	18 Months to 31/7/07	12 Months to 31/1/06
Tax on (loss)/profit on ordinary activities	£	£
Current year	-	8,256
Adjustment in respect of prior years	-	(1,349)
	<u>£ -</u>	<u>£ 6,907</u>

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the 18 Months ended 31 July 2007

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the company (19%). The differences are explained below

	18 Months to 31/7/07	12 Months to 31/1/06
	£	£
(Loss)/Profit on ordinary activities before tax	<u>(3,600)</u>	<u>94,997</u>
(Loss)/Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 19% (2006 - 19%)	684	18,049
Effects of:		
Losses (brought)/carried forward against future tax charges	(684)	(883)
Capital gain		(8,910)
	<u> </u>	<u> </u>
Current tax charge for year (see note above)	<u>£ -</u>	<u>£ 8,256</u>

7 DEBTORS

	31/7/2007	31/1/2006
	£	£
Amounts owed by related parties	451,241	538,820
Social security and other taxes	103	-
Corporation Tax	2,613	-
	<u> </u>	<u> </u>
	<u>£ 453,957</u>	<u>£ 538,820</u>

8 CREDITORS:
Amounts falling due within one year

	31/7/2007	31/1/2006
	£	£
Trade Creditors	-	2,350
Social security and other taxes	-	43,400
Corporation Tax	-	8,256
Accruals and deferred income	1,450	36,174
	<u> </u>	<u> </u>
	<u>£ 1,450</u>	<u>£ 90,180</u>

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the 18 Months ended 31 July 2007

9. CREDITORS:
Amounts falling due after more than one year

	31/7/2007	31/1/2006
	£	£
Directors loan accounts	<u>£ 195,346</u>	<u>£ 195,346</u>
Included within the above are amounts falling due as follows		

	31/7/2007	31/1/2006
	£	£
Between two and five years		
Directors loan accounts	<u>£ 195,346</u>	<u>£ 195,346</u>

The Directors loans are wholly repayable within five years. There is no interest payable on these loans

10. SHARE CAPITAL

	31/7/2007	31/1/2006
	£	£
Authorised		
50,000 Ordinary shares of £1 each	<u>£ 50,000</u>	<u>£ 50,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

11. RESERVES

Profit and loss account	£
At 1 February 2006	260,661
Loss retained for the Period	(3,600)
At 31 July 2007	<u>£ 257,061</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31/7/2007	31/1/2006
	£	£
(Loss)/Profit for the Period	(3,600)	88,090
Opening shareholders' funds	<u>260,761</u>	<u>172,671</u>
Closing shareholders' funds	<u>£ 257,161</u>	<u>£ 260,761</u>

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS For the 18 Months ended 31 July 2007

13. RELATED PARTY TRANSACTIONS

Prior to the period Lowslem Limited settled certain liabilities of DBAD Limited, a company in which the director D B A Davis has a financial interest. During the period, this loan was repaid. At 31 July 2007 an amount of £Nil (31/1/2006 £232,932) was owed by DBAD Limited to Lowslem Limited.

During the period Lowslem Limited received services totaling £Nil (31/1/2006 £28,000) from Supermart Stores Limited, a company in which the director, D B A Davis has a financial interest. At 31 July 2007 an amount of £451,241 (31/1/2006 £305,888) was owed by Supermart Stores Limited to Lowslem Limited.

During the period the company made loans to D B A Davis amounting to a maximum outstanding amount of £872,021. This amount was repaid in full before 31st July 2007.