

Company Registration No. 04339695 (England and Wales)

**DRAYCOTT INVESTMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011**

**OFFICIAL'S COPY**  
**OF ACCOUNTS**



**Cavendish**  
Chartered Certified Accountants  
Statutory Auditor  
4th Floor, Centre Heights  
137 Finchley Road  
London NW3 6JG

Ref 5400

# **DRAYCOTT INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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**Directors**

A M Khalastchi  
P S D Khalastchi  
D Peltz  
G J Hayhurst

**Secretary**

A K Tanna

**Company number**

04339695

**Registered office**

4th Floor, Centre Heights  
137 Finchley Road  
London NW3 6JG

**Auditors**

Cavendish  
Chartered Certified Accountants  
Statutory Auditor  
4th Floor, Centre Heights  
137 Finchley Road  
London NW3 6JG

**Business address**

3 Court Lodge  
48 Sloane Square  
London SW1W 8AT

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# **DRAYCOTT INVESTMENTS LIMITED**

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# **DRAYCOTT INVESTMENTS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 APRIL 2011***

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The directors present their report and financial statements for the year ended 30 April 2011

### **Principal activities**

The principal activity of the company continued to be that of nominee bare trust company acting on behalf of a joint venture. The principal activity of the joint venture is property investment.

### **Directors**

The following directors have held office since 1 May 2010

A M Khalastchi  
P S D Khalastchi  
D Peltz  
G J Hayhurst

### **Auditors**

The auditors, Cavendish, are deemed to be reappointed under section 487(2) 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 judgements and accounting 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.

# **DRAYCOTT INVESTMENTS LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2011**

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### **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. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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 relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



A.K. Tanna

Secretary

3 August 2011

# **DRAYCOTT INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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

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We have audited the financial statements of Draycott Investments Limited for the year ended 30 April 2011 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).

#### **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 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, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 11 to the financial statements.

#### **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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 April 2011 and of its result 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.

# **DRAYCOTT INVESTMENTS LIMITED**

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

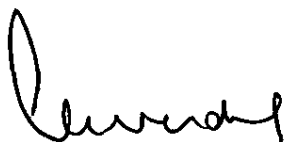
### **TO THE MEMBERS OF DRAYCOTT INVESTMENTS LIMITED**

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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
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



**Arun Malhotra (Senior Statutory Auditor)**  
for and on behalf of Cavendish

5 August 2011

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

4th Floor, Centre Heights  
137 Finchley Road  
London NW3 6JG

# DRAYCOTT INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2011

	Notes	2011 £	2010 £
Turnover		680,444	768,436
Property management expenses		(221,599)	207,999
Administrative expenses		(5,440)	(14,211)
Other operating income		2,272	22,196
<b>Operating profit</b>	<b>2</b>	<b>455,677</b>	<b>984,420</b>
Loss on disposal of investment properties		-	304,683
<b>Profit on ordinary activities before interest</b>		<b>455,677</b>	<b>1,289,103</b>
Other interest receivable and similar income	<b>3</b>	774	1,832
Interest payable and similar charges		(456,451)	(1,309,407)
<b>Loss on ordinary activities before taxation</b>		<b>-</b>	<b>(18,472)</b>
Tax on loss on ordinary activities	<b>4</b>	-	-
<b>Loss on ordinary activities after taxation</b>	<b>10</b>	<b>-</b>	<b>(18,472)</b>



# DRAYCOTT INVESTMENTS LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 APRIL 2011

	Notes	2011 £	2010 £
Loss for the financial year		-	(18,472)
Unrealised deficit on revaluation of properties		-	-
Total recognised gains and losses relating to the year		-	(18,472)

### Note of historical cost profits and losses

	2011 £	2010 £
Reported loss on ordinary activities before taxation	-	(18,472)
Realisation of property revaluation gains of previous years	-	18,472
Historical cost loss on ordinary activities before taxation	-	-
Historical cost loss for the year retained after taxation, extraordinary items and dividends	-	-

# DRAYCOTT INVESTMENTS LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Tangible assets	5	13,950,000		14,175,000	
<b>Current assets</b>					
Debtors	6	58,540		21,931	
Cash at bank and in hand		95,428		93,687	
		<u>153,968</u>		<u>115,618</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(4,407,041)</u>		<u>(4,045,517)</u>	
<b>Net current liabilities</b>		<u>(4,253,073)</u>		<u>(3,929,899)</u>	
<b>Total assets less current liabilities</b>		9,696,927		10,245,101	
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(10,687,283)</u>		<u>(11,010,457)</u>	
		<u>(990,356)</u>		<u>(765,356)</u>	
<b>Capital and reserves</b>					
Called up share capital	9	2		2	
Revaluation reserve	10	<u>(990,358)</u>		<u>(765,358)</u>	
<b>Shareholders' funds</b>		<u>(990,356)</u>		<u>(765,356)</u>	

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

Approved by the Board for issue on 3 August 2011

  
P S D Khalastchi  
Director

  
D Peltz  
Director

Company Registration No. 04339695

# DRAYCOTT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

As at 30 April 2011 the company had net liabilities of £990,356. The directors have obtained confirmation from the joint venture participators that they will continue to provide ongoing financial support to enable the company to meet its liabilities as and when they fall due for the foreseeable future. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be required if ongoing financial support was withdrawn.

#### 1.2 Turnover

Turnover represents amounts receivable for rents and sundry income.

#### 1.3 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), 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 only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### 1.4 Deferred taxation

Deferred tax is recognised in respect of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using a full provision basis. Deferred tax is measured on a non-discounted basis at the tax rates expected to apply in the periods in which timing differences reverse, based on tax rates or laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are only recognised when they arise from timing differences where their recoverability is regarded as more likely than not.

In accordance with FRS 19, deferred tax is not recognised on unrealised property revaluation surpluses unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements.

2 Operating profit	2011	2010
	£	£
Operating profit is stated after charging		
Auditors' remuneration	5,000	4,000

# DRAYCOTT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2011

<b>3 Investment income</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank interest	774	1,585
Other interest	-	247
	<u>774</u>	<u>1,832</u>

### 4 Taxation

On the basis of these financial statements no provision has been made for corporation tax

### 5 Tangible fixed assets

	<b>Investment properties £</b>
At 1 May 2010	14,175,000
Revaluation	(225,000)
At 30 April 2011	<u>13,950,000</u>

The investment properties were revalued to open market value as at 30 April 2011 by the directors

As at 30 April 2011, the historic cost of investment properties was £14,940,359 (2010 £14,940,359)

If all the investment properties were sold for the revalued amount, an estimated tax liability of £28,000 (2010 £14,000) would arise

<b>6 Debtors</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	40,121	4,451
Other debtors	18,419	17,480
	<u>58,540</u>	<u>21,931</u>

# DRAYCOTT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2011

<b>7 Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	211,300	60,000
Trade creditors	-	7,436
Taxation and social security	16,592	14,800
Participators' loan accounts (note 12)	3,957,992	3,775,122
Other creditors	221,157	188,159
	<u>4,407,041</u>	<u>4,045,517</u>

<b>8 Creditors: amounts falling due after more than one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loans	10,687,283	11,010,457
	<u>10,687,283</u>	<u>11,010,457</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	10,898,583	11,070,457
Included in current liabilities	(211,300)	(60,000)
	<u>10,687,283</u>	<u>11,010,457</u>

The loans are secured by fixed charges over the company's investment properties. The loans are repayable on the earlier of the loan repayment date and the date of the sale of the relevant property on which the loan is secured.

<b>9 Share capital</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

<b>10 Statement of movements on reserves</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 May 2010	(765,358)	-
Revaluation during the year	(225,000)	-
	<u>(990,358)</u>	<u>-</u>
Balance at 30 April 2011	(990,358)	-

# DRAYCOTT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2011

### 11 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

### 12 Related party transactions

The beneficial owners of the company are Flodrive Holdings Limited (50%) and London Freeholds Plc (50%)  
The movements on the joint venture participants' loan accounts (note 7) were as follows

	At 1 May 2010	Fundings/ (drawings)	Share of profit/(loss)	At 30 April 2011
	£	£	£	£
<i>Joint venture participants' loan accounts</i>				
Flodrive Holdings Limited	1,887,561	-	91,435	1,978,996
London Freeholds Plc	1,887,561	-	91,435	1,978,996
	<u>3,775,122</u>	<u>-</u>	<u>182,870</u>	<u>3,957,992</u>

Included in other debtors are amounts totalling £18,091 (2010 £16,393) due from Oxford Hotels & Inns Management Limited (OHIML) P S D Khalastchi and A M Khalastchi are also directors of OHIML

Also included in accruals is amount totalling £1,249 (2010 £2,300) due to Oxford Hotels & Inns Management Limited (OHIML)

Included in property management expenses are licence fees payable to OHIML totalling £2,272 (2010 £22,196) During the year the company received interest of £nil (2010 £248) and recovered insurance of £5,010 04 (2010 £4,527) from OHIML and also paid repairs recharged of £1,264 (2010 £3,064 credit) to OHIML

Also included in property management expenses are management charges of £15,000 (2010 £19,465) paid to Flodrive Holdings Limited