

ERNTROL PROPERTY CO. LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 MARCH 2007

COMPANY REGISTRATION NUMBER 597053

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ERNTROL PROPERTY CO. LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

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ERNTROL PROPERTY CO. LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

Mr B S E Freshwater

Mr D Davis

COMPANY SECRETARY

M R M Jenner F C I S

REGISTERED OFFICE

Freshwater House
158-162 Shaftesbury Avenue
LONDON
WC2H 8HR

BANKERS

Barclays Bank PLC
P O Box No 4599
London
SW3 1XE

ERNTRON PROPERTY CO. LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2007

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is Property Trading, which has remained unchanged during the year and no change is anticipated in the immediate future

The financial results of the company's activities for the year ended 31 March 2006, are fully reflected in the attached Financial Statements together with the notes thereon

PROPERTIES

The Directors have carefully reviewed the Company's property trading portfolio and they are satisfied that property has a value greater than the figure at which it is included in the Balance Sheet at 31 March 2007

DIRECTORS

The directors who served the company during the year were as follows

Mr B S E Freshwater
Mr D Davis

Throughout the year Mr B S E Freshwater held 4 Ordinary Shares in the Capital of the Company, the remainder of the Shares being by members of his family and Trustees of a Family Settlement

The Articles of Association of the Company do not require the Directors to retire by rotation

Neither Director has a service contract, nor do they receive any emoluments from the Company

Day-to-day management of the Company's properties are carried out by Highdorn Co Limited and Freshwater Property Management Limited Mr B S E Freshwater is a Director of both companies and has a non-beneficial interest in the share capital of Highdorn Co. Limited Mr B S E Freshwater and Mr D David are also Governors of the Parent Undertaking of Freshwater Property Management Limited but have no beneficial interest in either company

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S 414 Income and Corporation Taxes Act, 1988 (as amended)

DONATIONS

During the year the Company made no charitable donation nor political contribution (2006 £Nil)

ERNROL PROPERTY CO. LIMITED

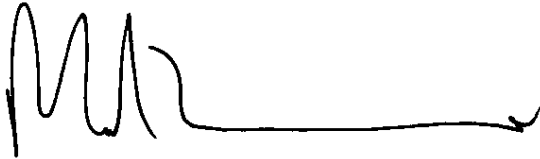
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2007

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'M R M JENNER', followed by a long horizontal line that ends in a small hook.

M R M JENNER F C I S
Company Secretary

Approved by the directors on 13 December 2007

ERNTROL PROPERTY CO. LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2007

	Note	2007	2006
		£	£
Net Rental Income	2	24,309	21,828
Administrative expenses		(2,669)	(2,498)
OPERATING PROFIT		21,640	19,330
Interest receivable and similar income		39	37
Interest payable and similar charges		(5,084)	(4,459)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,595	14,908
Tax on profit on ordinary activities		(4,988)	(4,955)
PROFIT FOR THE FINANCIAL YEAR		11,607	9,953

The notes on pages 6 to 8 form part of these financial statements.

ERNTROL PROPERTY CO. LIMITED

BALANCE SHEET

31 MARCH 2007

	Note	2007 £	£	2006 £	£
CURRENT ASSETS					
Stocks		4,369		4,369	
Debtors	3	6,885		6,993	
		<u>11,254</u>		<u>11,362</u>	
CREDITORS: Amounts falling due within one year					
	4	<u>1,093,532</u>		<u>1,105,247</u>	
NET CURRENT LIABILITIES			(1,082,278)		(1,093,885)
TOTAL ASSETS LESS CURRENT LIABILITIES			(1,082,278)		(1,093,885)
CAPITAL AND RESERVES					
Called-up equity share capital	7		10		10
Profit and loss account	8		<u>(1,082,288)</u>		<u>(1,093,895)</u>
DEFICIT			(1,082,278)		(1,093,885)

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the 13 Dec 2007 and are signed on their behalf by


MR B S E FRESHWATER
Director

The notes on pages 6 to 8 form part of these financial statements.

ERNROL PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), subject to the departures referred to below

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly

Format of financial statements

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the directors consider to be appropriate having regard to the nature of the company's activities

ERNTRON PROPERTY CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

2. TURNOVER

The net rental income is comprised as follows

	2007	2006
	£	£
Rents and charges receivable	25,072	25,007
Property outgoings	<u>(763)</u>	<u>(3,179)</u>
Net Rental Income	<u>24,309</u>	<u>21,828</u>

The turnover of the Company is derived from its property held for trading purposes

3. DEBTORS

	2007	2006
	£	£
Trade debtors	5,999	6,037
Other debtors	<u>886</u>	<u>956</u>
	<u>6,885</u>	<u>6,993</u>

4. CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	93,968	83,016
Trade creditors	5,523	5,523
Corporation tax	10,000	9,000
Other creditors	<u>984,041</u>	<u>1,007,708</u>
	<u>1,093,532</u>	<u>1,105,247</u>

The other creditors include amounts aggregating £963,873 (2006 £985,998) due to Companies whose Directors include the Directors of this Company. The loans are all interest free and effectively repayable on demand.

ERNROL PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

5. DIRECTORS' INTEREST IN CONTRACT

Day-to-day management of the Company is carried out by Highdorn Co Limited and Freshwater Property Management Limited, both of which are members of the Freshwater Group of Companies with which this Company is closely associated Mr B S E Freshwater is a Director of both companies and has a non-beneficial interest in the Share Capital of Highdorn Co Limited

The amounts payable for the full range of management services charged for at normal commercial rates -

	2007	2006
	£	£
Highdorn Co Limited	587	587
Freshwater Property Management Limited	616	2025

6. CHARGES ON ASSETS

The Company has charged certain of its Freehold Trading Properties with a book value of £484 (2006 £484) as part security for bank overdraft facilities made available to the Company, which at 31 March 2007 amounted to £ 93,968 (2006 £ 83,016)

7. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

8. RESERVES

	Profit and loss account
	£
Balance brought forward	(1,093,895)
Profit for the year	<u>11,607</u>
Balance carried forward	<u>(1,082,288)</u>

9. GOING CONCERN

The Financial Statements have been prepared in accordance with the accounting principles applicable to a going concern, this being dependent primarily on the continued provision of financial support by the Company's principal loan creditor referred to in note 4

ERNTROL PROPERTY CO. LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2007

The following pages do not form part of the statutory financial statements

Erntrol Property Co. Limited

PROPERTY REVENUE ACCOUNTS - SUMMARY

	2007		2006	
	£	£	£	£
Rents and other similar charges		25,072		25,007
Less: Property Outgoings				
Legal fees Rental properties	133		1,144	
Insurance	14		10	
Letting & management commission	616		<u>2,025</u>	
		(763)		(3,179)
NET RENTAL INCOME		<u>24,309</u>		<u>21,828</u>

This page does not form part of the statutory accounts

Erntrol Property Co. Limited

SCHEDULE OF ADMINISTRATIVE EXPENSES YEAR ENDED 31 MARCH 2007

	2007		2006	
	£	£	£	£
Sundry expenses	85		30	
Management charges payable	587		587	
Accountancy fees	1,997		1,881	
	<hr/>		<hr/>	
TOTAL ADMINISTRATIVE EXPENSES		<u>2,669</u>		<u>2,498</u>

This page does not form part of the statutory accounts