

**Lancer Property Asset
Management Limited**

**Directors' Report and Audited
Financial Statements**

Year ended 30 April 2011

Company Registration Number
00724549 (England and Wales)

MONDAY



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COMPANIES HOUSE

Directors J T Kevill
A J W Lax
D R Ferguson
B H Pull

Secretary J T Kevill

Registered office Powerhouse
Harrison Close
Knowlhill
Milton Keynes
MK5 8PA

Registered number 00724549 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers National Westminster Bank Plc
135 Bishops Gate
London
EC2M 3UR

Solicitors Kimbells LLP
Powerhouse
Harrison Close
Knowlhill
Milton Keynes
MK5 8PA

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Directors' report 30 April 2011

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

Principal activity

The principal activity of the company is that of property asset management. The company registration number is 00724549.

Business review

The directors are pleased with the performance of the company, which operates as an asset manager within the property sector.

Results

The results for the company show pre tax profit of £351,947 (2010 – £1,851,390) for the year and sales of £6,732,266 (2010 – £8,419,046).

A dividend of £1,375,000 (2010 – £nil) was paid in the year.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated within the risks of the Group, and are not managed separately. Accordingly, the principal risks and uncertainties of Lancer Property Holdings Ltd, which include those of the company, are discussed in the Group's annual report, which does not form part of this report.

Future outlook and strategy

Subject to unforeseen circumstances, the directors are confident about the current year, and expect the current level of performance to be maintained.

The company strategy is to continually improve operating performance, that being a principle driver of profitability. This will include focus on the customer's needs, improvements in available information, and staff development.

Creditors payment policy and practice

It is the company's policy that prepayments to suppliers are made in accordance with standard terms and conditions agreed between the company and its suppliers, provided that all terms and conditions have been complied with.

Directors' report 30 April 2011

Key performance indicators (KPI'S)

Given that all the directors and the majority of the shareholders are involved in the day-to-day activities of the businesses, the directors are of the opinion that the disclosure of KPI's is not necessary for an understanding of the development, performance, or position of the Company

Directors

The directors in office during the period were as follows

J T Kevill
A J W Lax
D R Ferguson
B H Pull

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 year. In preparing those financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ make judgements and estimates that are reasonable and prudent,
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ◆ 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 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.

Directors' report 30 April 2011

Directors' responsibilities (continued)

Each of the directors confirm that

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- ◆ the director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Signed on behalf of the board of directors



J T Kevill
Director

Approved by the board on

Independent auditor's report 30 April 2011

Independent auditor's report to the members of Lancer Property Asset Management Limited

We have audited the financial statements of Lancer Property Asset Management Limited for the year ended 30 April 2011, which comprise the profit and loss account, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 auditor

As explained more fully in the statement of directors' responsibilities set out in the directors' report, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 April 2011 and of its profit for the period then ended,
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report 30 April 2011

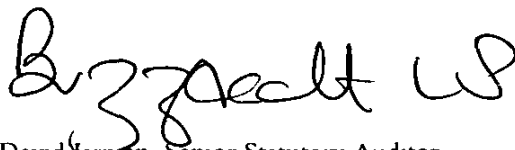
Opinion on other matter prescribed by the Companies Act 2006

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

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



David Jarman, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

26.1.2012.

Profit and loss account Year to 30 April 2011

	Notes	2011 £	2010 £
Turnover	1	6,777,386	8,419,046
Cost of sales		(3,316,215)	(4,594,038)
Gross profit		3,461,171	3,825,008
Administrative expenses		(3,111,935)	(1,974,662)
Operating profit	2	349,236	1,850,346
Interest receivable	5	2,711	1,288
Interest payable	6	—	(244)
Profit on ordinary activities before taxation		351,947	1,851,390
Tax on profit on ordinary activities	7	(131,742)	(538,951)
Profit for the financial year	14	220,205	1,312,439

The Profit and loss account has been prepared on the basis that all operations are continuing

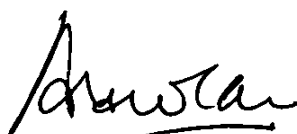
There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 9 to 18 form an integral part of these financial statements

Balance sheet 30 April 2011

	Notes	2011	2011	2010 £	2010 £
Fixed assets					
Tangible fixed assets	9		44,942		69,457
Current assets					
Debtors	10	2,537,478		5,036,009	
Cash at bank		1,126,703		973,310	
		3,664,181		6,009,319	
Creditors amounts falling due within one year	11	(2,692,645)		(3,903,551)	
Net current assets			971,536		2,105,768
			1,016,028		2,175,225
Total assets less current liabilities					
Provisions for liabilities					
Deferred tax	12		(2,648)		(6,600)
Net assets			1,013,380		2,168,625
Capital and reserves					
Called up share capital	13		5,000		5,000
Profit and loss account	14		1,008,830		2,163,625
Shareholder's funds			1,013,830		2,168,625

Signed and authorised for issue on behalf of the board of directors by



A J W Lax
Director

Approved by the board on

Lancer Property Asset Management Limited
Company Registration Number: 00724549 (England and Wales)

The notes on pages 10 to 16 form an integral part of these financial statements

Principle accounting policies 30 April 2011

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

Income is recognised when substantially all of the risks and rewards have passed to the customer and rights to receive economic benefits is established

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

◆ Fixtures and fittings	-	25% straight line
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Equipment leased to customers

Equipment leased to customers under finance leases is deemed to be sold at normal selling value which is taken to turnover at the inception of the lease agreements less finance charges allocated to the future periods. Finance leases are recognised over the primary period of lease so as to produce a constant rate of return on net cash investments

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

Operating leases

Rentals under operating leases are charged at the profit and loss account on a straight line basis over the lease term

Cash flow statement

The financial statements do not include a cash flow statement since over 90% of the voting rights are held within a group where the group accounts are publicly available

Principle accounting policies 30 April 2011

Deferred tax

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

Notes to the financial statements 30 April 2011

1 Turnover

Turnover and the result before taxation arises solely from the company's principal activity

All turnover originates in the United Kingdom

2 Operating profit

	2011 £	2010 £
This is stated after charging		
Depreciation of tangible fixed assets	24,515	24,515
Current auditor's remuneration		
- audit services	12,000	—
- other services	1,050	—
Previous auditor's remuneration		
- audit services	—	13,360
- tax services	—	10,233
Operating lease rentals		
- other operating leases	111,065	111,621

3 Staff costs

	2011 £	2010 £
Wages and salaries	1,195,977	814,160
Social security costs	145,608	91,162
Other pension costs	229,898	48,202
	1,571,483	953,524

4 Directors' remuneration

	2011 £	2010 £
Remuneration	636,063	270,138
Company pension contributions to money purchase pension schemes	203,098	7,819
Amounts paid to third parties for directors' remuneration services	678,501	173,000

During the year retirement benefits were accruing to 2 directors (2010 – 1) in respect of money purchase pension schemes

The highest paid director received remuneration of £381,989 (2010 – £161,138)

The value of the company's contributions paid to a money purchase scheme in respect of the highest paid director amounted to £189,992 (2010 – £7,819)

Notes to the financial statements 30 April 2011

5 Interest receivable

	2011 £	2010 £
Other interest receivable	2,711	1,288

6 Interest payable

	2011 £	2010 £
On bank loans and overdraft	—	244

7 Taxation

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	106,684	533,072
Adjustments in respect of prior periods	11,230	16,700
Amount receivable from group undertakings in respect of group relief	—	(6,421)
Amount payable to group undertakings in respect of group relief	17,780	—
Total current tax	135,694	543,351
Deferred tax (see note 12)		
Origination and reversal of timing differences	(3,952)	(4,400)
Tax on profit on ordinary activities	131,472	538,951

Factors affecting tax charge for the year

The tax assessed for the year is higher/lower than (2010 – higher than) the standard rate of corporation tax in the UK 28% (2010 – 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax		
- corporation tax in the UK of 26% (2010 – 28%)	91,506	518,389
Effects of		
Expenses not deductible for tax purposes	24,177	14,539
Depreciation in excess of capital allowances	(13,213)	3,959
Group relief claimed before payment	17,780	(6,421)
Amount payable to group undertakings in respect of group relief	11,230	—
Adjustments to tax charge in respect of prior periods	—	16,700
Other timing differences	4,214	(3,815)
Current tax charge for the year (see note above)	135,694	543,351

Factors that may affect future tax charges

There were no factors that may affect future tax charges

Notes to the financial statements 30 April 2011

8 Dividends

	2011 £	2010 £
Dividends paid on equity capital	1,375,000	—

9 Tangible fixed assets

	Fixtures & fittings £
Cost	
At 1 May 2010 and 30 April 2011	98,058
Depreciation	
At 1 May 2010	28,601
Charge for the year	24,515
At 30 April 2011	53,116
Net book value	
At 30 April 2011	44,942
At 30 April 2010	69,457

10 Debtors

	2011 £	2010 £
Due within one year		
Trade debtors	2,166,029	2,248,431
Amount owed by group undertakings	263,034	849,846
Rental income receivable under finance leases	8,450	8,450
Other debtors	4,636	77,726
Prepayments and accrued income	81,804	1,831,704
Due after more than one year		
Rental income receivable under finance leases	13,525	19,852
	2,537,478	5,036,009

Net investments in finance leases and hire purchase contracts comprise

	2011 £	2010 £
Total amount receivable	25,350	33,800
Less interest allocated to future periods	(3,375)	(5,498)
Total	21,975	28,302

Rentals receivables during the year under finance leases and hire purchase contracts amounted to £8,450 (2010 – £8,450)

The cost of assets acquired during the year for onward finance leasing was £nil (2010 – £36,753)

Notes to the financial statements 30 April 2011

11 Creditors

	2011 £	2010 £
Amounts falling due within one year		
Trade creditors	123,123	631,694
Amounts owed to related undertakings	322,214	399,020
Amounts owed to group undertakings	184,318	
Corporation tax	66,684	352,412
Social security and other taxes	452,263	374,128
Other creditors	15,802	8,437
Accruals and deferred income	1,528,241	2,137,860
	2,692,645	3,903,551

12 Deferred taxation

	2011 £	2010 £
At beginning of year	6,600	11,000
(Released during)/charge for the year	(3,952)	(4,400)
At end of year	2,648	6,600

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	3,833	7,827
Other short term timing differences	(1,185)	(1,227)
	2,648	6,600

13 Called up share capital

	2011 £	2010 £
Allotted, called up and fully paid 5,000 ordinary shares of £1 each	5,000	5,000

14 Profit and loss account

	£
At 1 May 2010	2,163,625
Profit for they year	220,205
Dividends	(1,375,000)
At 30 April 2011	1,008,830

Notes to the financial statements 30 April 2011

15 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	2,168,625	856,186
Profit for the year	220,205	1,312,439
Dividends (see note 8)	(1,375,000)	—
Closing shareholders' funds	1,013,830	2,168,625

16 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 contributions payable by the company to the fund and amounted to £229,898 (2010 - £48,202). At the year end pension costs payable amounted to £11,553 (2010 - £4,394).

17 Operating lease commitments

At 30 April 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011 £	2010 £
Expiry date		
Between 2 and 5 years	111,065	111,065

18 Related party transactions

During the year the company was charged £12,500 (2010 - £50,000) by GVA Grimley for the services of Mr A J W Lax (2010 - Mr A J W Lax) with a further £1,083,209 (2010 - £1,382,473) in respect of professional services provided. At 30 April 2011 the company owed £322,214 (2010 - £399,020) to GVA Grimley.

Mr A J W Lax, Mr J T Kevill, Mr P B Shaw and Mr P J D O'Keeffe who are shareholders in Lancer Property Holdings Limited, were shareholders in GVA Grimley in the year.

Lancer Property Holdings Limited, the parent of the company owns 50% of voting rights in Lancer Asset Management (Investments) Limited, which in turn owns 87.5% of the voting rights in Nightingale Partners Limited.

Notes to the financial statements 30 April 2011

18 Related party transactions (continued)

During the year, the company was charged £77,500 by Nightingale Partners Limited in respect of goods and services provided. At 30 April 2011, £9,300 was due to Nightingale Partners Limited. During the year, the company recharged £49,505 to Nightingale Partners Limited in respect of goods and services provided. At 30 April 2011, £1,362 was due from Nightingale Partners Limited.

The company has taken advantage of exemptions offered under Financial Reporting Standard No 8 from disclosing related party transactions with group companies on the basis that 100% of the company's voting rights are controlled by Lancer Property Holdings Limited.

19 Controlling party

The company's immediate and ultimate controlling parent undertaking and controlling party is Lancer Property Holdings Limited, a company incorporated in England and Wales.

The largest and smallest group of undertakings for which consolidated financial statements are prepared is that headed by Lancer Property Holdings Limited. These are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.