

KING STURGE FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2010

MONDAY



LKIVDML2

LD4

16/08/2010

225

COMPANIES HOUSE

CONTENTS

	PAGE
OFFICERS AND PROFESSIONAL ADVISERS	1
DIRECTORS' REPORT	2
INDEPENDENT AUDITORS' REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
CASH FLOW STATEMENT	7
NOTES TO THE FINANCIAL STATEMENTS	8

OFFICERS AND PROFESSIONAL ADVISERS

Directors

C M Ireland
C G R Pratt
P B Marsden
D J G Reilly

Company secretary

S A F Bailey

Registered office

30 Warwick Street
LONDON
W1B 5NH

Bankers

Barclays Bank PLC
1 Churchill Place
LONDON
E14 5HP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
LONDON
WC2N 6RH

DIRECTORS REPORT

For the year ended 30 April 2010

The Directors present their annual report and the audited financial statements of the Company for the year ended 30 April 2010

Principal activities, business review and future developments

The Company provides consultancy services with respect to property and property transactions in the United Kingdom. The Directors consider that all turnover derives from a single class of business.

The Directors consider the results for the year, which are set out in the profit and loss account on page 5, to be in line with expectations and that the Company will continue to trade profitably into the coming year. The Directors do not recommend the payment of a dividend (2009 £2.38 per £1 ordinary share, totalling £500,000).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. Further discussion of these risks and uncertainties, in the context of the King Sturge International LLP group (of which King Sturge Financial Services Limited is a part), is provided in that group's Members' report.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Directors

The Directors of the Company during the year and up to the date of signing the financial statements were as shown below:

C M Ireland
C G R Pratt
P B Marsden
D J G Reilly

Directors' responsibilities statement

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 prepared 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS REPORT

For the year ended 30 April 2010

Directors' responsibilities statement (continued)

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.

Statement of disclosure of information to auditors

Having made enquiries of fellow Directors, each of the Directors who were members of the Board at the time of approving the Directors' Report confirms that, to the best of each Director's knowledge and belief, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware and that each Director has taken all steps that they ought to have taken as a Director to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' liability insurance

As permitted by the Companies Act 2006, the Company has purchased insurance cover in respect of Directors' and officers' liabilities which was in force throughout the year and at the date of approval of the financial statements.

Financial Services Authority

In accordance with the rules of the Financial Services Authority, the Company has published information on its risk management objectives and policies and on its regulatory capital requirements and resources. This information is available on the company's website.

By order of the board



S A F Bailey
Company Secretary

28 July 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KING STURGE FINANCIAL SERVICES LIMITED

We have audited the financial statements of King Sturge Financial Services Limited for the year ended 30 April 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 April 2010 and of its profit and cash flows for the year 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.

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.



Kate Wolstenholme (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 July 2010

PROFIT AND LOSS ACCOUNT**For the year ended 30 April 2010**

	Note	2010 £	2009 £
Turnover	1	1,284,644	1,574,563
Cost of sales		(686,037)	(686,038)
Gross profit		598,607	888,525
Administrative expenses		(463,854)	(462,780)
Operating profit	2	134,753	425,745
Interest receivable and similar income		4,516	44,513
Interest payable and similar charges	4	(4,455)	(4,226)
Profit on ordinary activities before taxation		134,814	466,032
Taxation	5	-	(76,732)
Profit for the financial year	11	134,814	389,300

The results above arise solely from continuing operations

The Company has no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

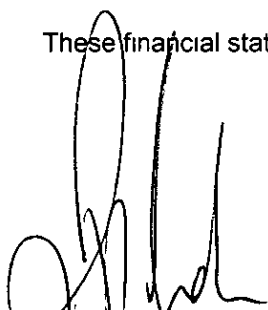
There are no material differences between profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

BALANCE SHEET

As at 30 April 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible fixed assets	7	-	482
Current assets			
Debtors	8	332,782	458,242
Cash at bank and in hand		762,369	1,183,427
		1,095,151	1,641,669
Creditors: amounts falling due within one year	9	(123,493)	(805,307)
Net current assets		971,658	836,362
Net assets		971,658	836,844
Capital and reserves			
Called up share capital	10	210,000	210,000
Profit and loss reserve	11	761,658	626,844
Total shareholders' funds	12	971,658	836,844

These financial statements on pages 5 to 13 were approved by the board of directors and signed on its behalf by



P B Marsden
Director

28 July 2010

Registered number 2030289

CASH FLOW STATEMENT

For the year ended 30 April 2010

	Note	2010 £	2009 £
Net cash outflow from operating activities	13	(243,731)	(404,224)
Returns on investments and servicing of finance			
Interest paid		(4,455)	(4,226)
Interest received		4,516	44,513
Net cash inflow from returns on investments and servicing of finance		61	40,287
Taxation		(77,388)	(55,219)
Equity dividends paid to shareholders		-	(500,000)
Net cash outflow before financing		(321,058)	(919,156)
Financing			
Repayment of subordinated loan		(100,000)	-
Decrease in cash	14	(421,058)	(919,156)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2010

1 Accounting Policies

The following accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the Company's financial statements

a) Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the UK

b) Turnover

Turnover represents fees and commissions receivable excluding value added tax. Where the substance of a contract is that the Company's contractual obligations are performed gradually over time, revenue is recognised as the contract activity progresses to reflect the Company's partial performance of its contractual obligations. The amount of revenue reflects the accrual of the right to consideration as contract activity progresses by reference to value of the work performed. Where the substance of the contract is that a right to consideration does not arise until the occurrence of a critical event, revenue is not recognised until that event occurs. Where the Company's role in a transaction is that of an agent, revenue is recognised on a net basis and represents the commission earned.

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is calculated to write off the cost of the assets, less their residual values, over their expected useful economic lives on a straight line basis at the following rate:

Computer equipment	33 33%
--------------------	--------

d) Pensions

The Company participates in the King Sturge Group Personal Pension Plan which is a defined contribution scheme. Contributions payable are charged in the profit and loss account in the year in which they are incurred.

e) Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2010

1 Accounting Policies (continued)

f) Dividends

Ordinary dividends payable to the shareholders of the Company are recognised in the period that they are approved by the shareholders

2 Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets - owned	482	1,907
Auditors' remuneration – audit	11,000	11,000
Auditors' remuneration – taxation services	3,000	3,000

3 Directors and other employees

	2010 £	2009 £
Wages and salaries	412,499	363,697
Social security costs	48,780	30,534
Other pension costs	16,982	11,127
	478,261	405,358

	2010 £	2009 £
Directors' emoluments		
Aggregate emoluments	-	32,904
Company contributions to money purchase pension schemes	-	3,125
	-	36,029

C M Ireland, C G R Pratt, D J G Reilly and P B Marsden are remunerated through King Sturge LLP, a limited liability partnership, in which these Directors are members

Aggregate emoluments with respect to the highest paid Director totalled £nil (2009 £32,904) In addition, contributions of £nil (2009 £3,125) were paid by the Company into money purchase pension schemes

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2010

3 Directors and other employees (continued)

The average monthly number of persons employed by the Company (including Directors) during the year are as follows

	2010 Number	2009 Number
Fee earners	6	6
Support staff	2	1
	8	7

4 Interest payable and similar charges

	2010 £	2009 £
Group interest	1,992	4,226
Other interest	2,463	-
	4,455	4,226

5 Tax on profit on ordinary activities

	2010 £	2009 £
Current tax:		
UK corporation tax on profits for the year	-	77,388
Over provision in respect of prior years	-	(656)
Tax on profit on ordinary activities	-	76,732

The tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK applied to the Company of 28% (2009 28%). The differences are explained below

	2009 £	2009 £
Profit on ordinary activities before taxation	134,814	466,032
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	37,748	130,489
Effects of		
Expenses not deductible for tax purposes	2,140	2,901
Other timing differences	(462)	(212)
Over provision in respect of prior years	-	(656)
Utilisation of group losses	(39,426)	(55,790)
Current tax charge for the year	-	76,732

There are no material recognised or unrecognised deferred tax assets or liabilities (2009 £nil)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2010

6 Dividends

The Directors have not authorised the payment of a dividend for the year ended 30 April 2010. A dividend of £2.38 per £1 ordinary share that is a total of £500,000 was approved by the Directors and Shareholders prior to 30 April 2009 and so was included in these financial statements.

7 Tangible fixed assets

	Computer equipment £
Cost	
At 1 May 2009	22,290
Additions	-
At 30 April 2010	22,290
Accumulated depreciation	
At 1 May 2009	21,808
Charge for the year	482
At 30 April 2010	22,290
Net book value At 30 April 2010	-
At 30 April 2009	482

8 Debtors

	2010 £	2009 £
Trade debtors	261,217	386,561
Amounts owed by group undertakings	71,565	-
Prepayments and accrued income	-	71,681
	332,782	458,242

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2010

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	-	585,091
Corporation tax	-	77,388
Other taxation and social security	70,897	61,933
Other creditors	-	29,375
Accruals and deferred income	52,596	51,520
	123,493	805,307

Included within amounts owed to group undertakings at 30 April 2009 is an unsecured short term subordinated loan with King Sturge LLP of £100,000 approved by the Financial Services Authority (FSA), in accordance with FSA's requirements for securities and futures firms. This loan was repaid during the year.

10 Called up share capital

	2010 £	2009 £
Authorised 500,000 ordinary shares of £1 each	500,000	500,000
Allotted, issued and fully paid 210,000 ordinary shares of £1 each	210,000	210,000

11 Profit and loss reserve

	£
At 1 May 2009	626,844
Profit for the financial year	134,814
At 30 April 2010	761,658

12 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	134,814	389,300
Dividends (note 6)	-	(500,000)
Net increase / (reduction) in shareholders' funds	134,814	(110,700)
Opening shareholders' funds	836,844	947,544
Closing shareholders' funds	971,658	836,844

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2010

13 Reconciliation of operating profit to net cash flow from operating activities

	2010 £	2009 £
Operating profit	134,753	425,745
Depreciation	482	1,907
Decrease in debtors	125,460	284,154
Decrease in creditors	(504,426)	(1,116,030)
Net cash outflow from operating activities	(243,731)	(404,224)

14 Reconciliation of movements net cash flow to movement in net funds

	2010 £	2009 £
Decrease in cash in the year	(421,058)	(919,156)
Repayment of subordinated loan with King Sturge LLP	100,000	-
Reduction in net funds	(321,058)	(919,156)
Net funds at the start of the year	1,083,427	2,002,583
Net funds at the end of the year	762,369	1,083,427
Net funds at the end of the year comprise:		
Cash at bank and in hand	762,369	1,183,427
Subordinated loan with King Sturge LLP	-	(100,000)
	762,369	1,083,427

There have been no changes to net funds in the current year except for those resulting from cash flows

15 Related parties

The Company has taken the exemption available under paragraph 3(c) from the provisions of FRS 8, "Related Party Disclosures", on the grounds that it is a wholly owned subsidiary of a group headed by King Sturge International LLP, whose accounts are publicly available

The King Sturge International LLP Group owns a 10% share in Seafort Ealing Limited which is a client of the Company contributing £94,232 (2009 £50,000) to turnover on an arms length basis. At the year end, there was a balance due from Seafort Ealing Limited of £nil (2009 £nil)

16 Ultimate parent undertaking

King Sturge Holdings Limited, a Company registered in England and Wales, is the immediate parent Company and King Sturge International LLP, a Limited Liability Partnership, is the ultimate parent undertaking. King Sturge International LLP is the smallest and largest group to consolidate the financial statements of the Company. Copies of the Group financial statements of King Sturge International LLP are publicly available from Companies House, Crown Way, Cardiff