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# **Peverel OM Limited**

## **Report and Financial Statements**

31 December 2007

WEDNESDAY



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COMPANIES HOUSE

# **Peverel OM Limited**

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Registered No 2061041

## **DIRECTORS**

N G Bannister FIRPM  
K C Rutherford FIRPM  
W K Proctor  
M J Gaston

## **SECRETARY**

D C Edwards LLB

## **AUDITORS**

BDO Stoy Hayward LLP  
Arcadia House  
Maritime Walk  
Ocean Village  
Southampton  
SO14 3TL

## **BANKERS**

Bank of Scotland  
2<sup>nd</sup> Floor  
Pentland House  
8 Lochside Avenue  
Edinburgh  
EH12 9DJ

## **REGISTERED OFFICE**

Queensway House  
11 Queensway  
New Milton  
Hampshire  
BH25 5NR

# Peverel OM Limited

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## DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2007

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,648,565 (2006 £1,034,061) The directors do not recommend the payment of a final dividend (2006 £nil) for the year An interim dividend of £1,500,000 was declared and paid in the period

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the management of residential and commercial property developments for landlords, developers or resident controlled management companies Peverel OM Limited's parent company, Peverel Group Limited, was purchased on 31 May 2007 by Aztec Acquisitions Limited, a special purpose vehicle which is ultimately owned by The Tchenguiz Family Trust

#### *Overview*

The Company has been profitable during the year The company strives to increase its market share in Property Management through organic growth and business retention

#### *Financial Review*

The Company's performance was in line with forecasts and expectations The following key performance indicators are used to measure the results of the company

Properties under management have increased by 11%

Business retention is 98%

Turnover has increased by 20%

Operating profit has decreased by 6%

#### *Risk Analysis*

The company relies on the relationships it has with property developers and will look to increase it's developer base in future periods Interest rate sensitivity within the housing sector could impact on these developers and the knock on effect could influence the number of properties coming into management

The impact of legislative changes within the industry is also a risk The company believes that through previous experiences it has the infrastructure and highly trained employees to cope with any changes outside of its control

The retention of staff is key to the success of the business in providing outstanding customer service By training staff to an exceptionally high standard the company aims to meet these objectives as well as motivate its workforce

#### *Prospects*

The company continues to work with its existing developers to further grow the business as well as targeting new developers and resident controlled management companies for fresh instructions As well as this organic growth the company always considers new opportunities whether through acquisition or within other markets

The directors look forward to the year ahead with confidence

### DIRECTORS

The directors who served during the year were as follows

N G Bannister

K C Rutherford

M J Gaston (Appointed 31 May 2007)

W K Proctor (Appointed 31 May 2007)

The directors are not liable to retire by rotation

## DIRECTORS' REPORT

### DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate

### EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through the newsletter "In-Touch" in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas

### INSURANCE OF COMPANY OFFICERS

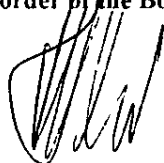
The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company

### AUDITORS

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

By order of the Board



D C Edwards

Secretary

30 September 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and 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,
- 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.

**REPORT OF THE INDEPENDENT AUDITORS**

**To the Shareholders of Peverel OM Limited**

We have audited the company's financial statements (the "financial statements") of Peverel OM Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

A handwritten signature in black ink that reads "BDO Stoy Hayward LLP". The signature is written in a cursive, flowing style.

**BDO STOY HAYWARD LLP**  
**Chartered Accountants and Registered Auditors**  
**Southampton**  
**17 October 2008**

## Peverel OM Limited

### PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
<b>TURNOVER</b>	2	11,871,102	9,901,554
Administrative expenses		(10,466,767)	(8,414,096)
<b>OPERATING PROFIT</b>	3	1,404,335	1,487,458
Interest payable and similar charges	6	(1,276)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,403,059	1,487,458
Tax on profit on ordinary activities	7	245,506	(453,397)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,648,565	1,034,061

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2007

There are no recognised gains or losses other than the profit attributable to shareholders for the year ended 31 December 2007 of £1,648,565 (2006 £1,034,061)



# Peveler OM Limited

## BALANCE SHEET at 31 December 2007

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	9	453,065	374,776
<b>CURRENT ASSETS</b>			
Debtors	10	1,658,437	563,620
Cash at bank and in hand		1,055,912	1,867,307
		2,714,349	2,430,927
<b>CREDITORS</b> amounts falling due within one year	11	(1,447,543)	(1,234,397)
<b>NET CURRENT ASSETS</b>		1,266,806	1,196,530
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,719,871	1,571,306
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account	14	1,719,771	1,571,206
<b>SHAREHOLDERS' FUNDS - equity interests</b>		1,719,871	1,571,306

These financial statements were approved and authorised for issue by the board of directors on 30 September 2008 and were signed on its behalf by



**N G Bannister**  
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2007

**1. ACCOUNTING POLICIES**

*Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and with the requirements of the Companies Act 1985

*Cash flow statement*

Advantage has been taken of the exemption available under Financial Reporting Standard 1 not to prepare a cash flow statement as the consolidated financial statements of the Aztec Opco Developments Limited group in which the company is included are publicly available

*Related parties*

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Aztec Opco Developments Limited or other group undertakings as the consolidated financial statements of the Aztec Opco Developments Limited group in which the company is included are publicly available

*Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its useful life, as follows

Fixtures and fittings	-	evenly over 5 years
Computer Hardware	-	evenly over 5 years
Computer Software	-	evenly over 3 years

*Leasing and hire purchase commitments*

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet, and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements, less interest not yet due, are included in creditors. Interest on such agreements is charged to the profit and loss account over the periods of the leases and hire purchase contracts and represents a constant proportion of the balance of the capital amounts outstanding

Rentals paid under operating leases are charged in the profit and loss account as they fall due

*Pensions*

The group operates a defined contribution pension scheme for its employees to which the company makes a contribution under specified circumstances. The scheme is administered on behalf of employees by an independent insurance company in funds separate from the group's finances. The amount charged against profits represents the contributions payable by the company in to the scheme in respect of the year

*Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

# Peverel OM Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2007

### 1 ACCOUNTING POLICIES (continued)

#### *Deferred tax*

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

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### 2 TURNOVER

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax, all of which is attributable to continuing operations generated in the UK

Developments under management owned by other group companies are deemed to be related parties within the meaning of FRS 8. During the year ended 31 December 2007, the company's aggregate charges to those developments are as follows

	2007	2006
	£	£
Management fees	3,666,010	2,641,643

### 3 OPERATING PROFIT

This is stated after charging

	2007	2006
	£	£
Depreciation of owned fixed assets	188,631	192,365
Operating lease rentals - land and buildings	368,056	365,198
Operating lease rentals - plant and equipment	222,219	187,886

The auditors are remunerated by the immediate parent undertaking, Peverel Limited. The total audit fee for the UK group, of which Peverel OM Limited is a member, amounted to £82,500 (2006: £98,500).

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2007

**4 DIRECTORS' EMOLUMENTS**

The directors were paid by the immediate parent undertaking, Peverel Limited, of which they are also directors. The directors' remuneration for the UK group amounted to £3,662,100 (2006 restated £685,652). The directors are unable to quantify the allocation of these amounts between individual companies within the group.

**5. STAFF COSTS**

	2007 £	2006 £
Wages and salaries	13,816,517	12,161,750
Social security costs	1,259,813	1,063,510
Other pension costs	162,589	164,544
	<u>15,238,919</u>	<u>13,389,804</u>

The payroll costs of house staff included in the above table are recharged at cost to the developments under management and are not direct costs to the company. These amounted to £8,806,353 in the year ended 31 December 2007 (2006 £7,920,625).

The average number of persons employed by the company during the year, including executive directors, was as follows:

	No	No
Office and Management	254	227
House staff	521	527
	<u>775</u>	<u>754</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2007 £	2006 £
Finance charges and other interest	1,276	-
	<u>1,276</u>	<u>-</u>

# Peverel OM Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

### 7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Tax on profit on ordinary activities

The tax (credit) / charge is made up as follows

	2007 £	2006 £
<i>Current tax</i>		
UK Corporation tax on profits for the year	-	459,644
Group Relief	156,792	-
Adjustments in respect of prior periods' group interest	(413,840)	(5,546)
Total current tax	(257,048)	454,098
<i>Deferred taxation</i>		
Origination and reversal of timing differences	11,542	(701)
Total deferred tax	11,542	(701)
Tax on profit on ordinary activities	(245,506)	453,397

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before tax	1,403,059	1,487,458
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30% (2006: 30%)	420,918	446,237
<i>Effects of</i>		
Expenses not deductible for tax purposes	154,836	12,706
(Accelerated) / decelerated capital allowances	(11,542)	701
Group interest adjustments	(410,953)	-
Group interest adjustment for prior period	(413,840)	-
Variable tax rates on deferred tax	3,533	-
Tax over provided in previous years	-	(5,546)
Total current tax	(257,048)	454,098

The tax (credit) / charge is prepared on the assumption that available group relief will be paid for in full

# Peverel OM Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

### 8. DIVIDENDS

	2007	2006
	£	£
Declared and paid during the year	1,500,000	-

### 9. TANGIBLE FIXED ASSETS

	<i>Fixtures &amp; fittings</i> £
Cost	
At 1 January 2007	1,916,291
Additions	266,920
At 31 December 2007	2,183,211
Depreciation	
At 1 January 2007	1,541,515
Provided during the year	188,631
At 31 December 2007	1,730,146
Net book value at 31 December 2007	453,065
Net book value at 31 December 2006	374,776

### 10. DEBTORS

	2007	2006
	£	£
Trade debtors	299,814	260,986
Amount due from parent undertaking	877,008	-
Deferred taxation (note 12)	49,468	61,010
Prepayments and accrued income	345,075	224,284
Other debtors	87,072	17,340
	1,658,437	563,620

The amount due from related parties within trade debtors, as at 31 December 2007 was £nil (2006 £179,032)

# Peverel OM Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	189,832	55,389
Other creditors	28,575	28,200
Corporation tax	-	193,377
Other taxes and social security	423,002	323,992
Amounts due to fellow subsidiary undertakings	-	213,681
Accruals and deferred income	649,342	419,758
Group relief payable	156,792	-
	<u>1,447,543</u>	<u>1,234,397</u>

### 12 PROVISIONS FOR LIABILITIES AND CHARGES

The deferred tax included in the balance sheet is as follows

	2007	2006
	£	£
Decelerated capital allowances	(49,468)	(61,010)
Deferred tax asset (note 10)	<u>(49,468)</u>	<u>(61,010)</u>

The movements in deferred taxation during the current and previous years are as follows

	2007	2006
	£	£
At 1 January	(61,010)	(60,309)
Provided during the year	11,542	(701)
Adjustments in respect of prior years	-	-
At 31 December	<u>(49,468)</u>	<u>(61,010)</u>

### 13 SHARE CAPITAL

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

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2007

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
At 1 January 2006	100	537,145	537,245
Profit for the year	-	1,034,061	1,034,061
At 31 December 2006	100	1,571,206	1,571,306
Profit for the year	-	1,648,565	1,648,565
Dividends paid	-	(1,500,000)	(1,500,000)
At 31 December 2007	100	1,719,771	1,719,871

15 CLIENT MONIES

	<i>2007 £</i>	<i>2006 £</i>
Cash balances held in joint accounts	407,736	-
Residents' net cash balances held in trust accounts	45,081,234	41,619,862
These balances are not reflected in the balance sheet		

16 CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the accounts amounted to £nil (2006 £2,747)

17 OTHER FINANCIAL COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2007 £</i>	<i>2006 £</i>	<i>2007 £</i>	<i>2006 £</i>
Operating leases which expire				
Within one year	-	-	1,557	27,169
In two to five years	-	-	181,198	84,941
Over five years	209,441	-	-	-
	209,441	-	182,755	112,110



NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2007

**18. CONTINGENT LIABILITIES**

The company has given no unlimited guarantees on the bank overdrafts and loans of various UK group undertakings (2006 £16,758,416)

The company has given unlimited guarantees on the bank overdrafts of various UK related parties. At 31 December 2007 the amount outstanding under these guarantees was £320,687 (2006 £309,155)

**19. RELATED PARTY TRANSACTIONS**

This company is a subsidiary of Euro Investments Overseas Inc, a company incorporated in the British Virgin Islands

Peverel Property Ownership Limited, a company incorporated in England and Wales, is regarded as a related party, due to it having a common ultimate parent undertaking and part common Directors

It is group policy to make available any current year losses arising in group companies (where not offset against taxable profits within that company) to other group companies for offset against taxable profits arising, with a view to minimising the group's overall effective tax rate

During the year, none of the Board members, members of the key management staff or other related parties has undertaken any material transactions with Peverel Property Ownership Limited or its subsidiaries

**20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's ultimate parent undertaking changed in the year to Euro Investments Overseas Inc, a company incorporated in the British Virgin Islands and the ultimate controlling party changed to The Tchenguiz Family Trust. Peverel Group Limited is the largest and smallest group for which group financial statements are prepared and are available to the public and may be obtained from Companies House, Cardiff