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Company Registration No 02119703 (England and Wales)

ITEMTRUMP LIMITED
DIRECTORS' REPORT AND UNAUDITED
ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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ITEMTRUMP LIMITED

COMPANY INFORMATION

Directors	D Hassam D Hanif R Alam
Secretary	D Hassam
Company number	02119703
Registered office	The Tower 125 High Street Colliers Wood London SW19 2JR
Business address	The Tower 125 High Street Colliers Wood London SW19 2JR
Accountants	H W Fisher & Company Acre House, 11-15 William Road London NW1 3ER

ITEMTRUMP LIMITED

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ITEMTRUMP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and accounts for the year ended 31 December 2006

Principal activities

The principal activity of the company continues to be that of property investment. However, as at 1 January 2004, the management of the service charge income and expenditure was transferred to Golfrate Knightsbridge Limited and is no longer recognised within the company.

Directors and their interests

The directors at 31 December 2006 and their beneficial interests in the shares of the company were

	Ordinary shares of £ 1 each	
	31 December 2006	1 January 2006
D Hassam	-	-
R Alam	-	-
D Hanif	-	-

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



Dated 23/02/07.

ITEMTRUMP LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED ACCOUNTS

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the accounts of Itemtrump Limited for the year ended 31 December 2006, set out on pages 3 to 9 from the accounting records and information and explanations you have given to us

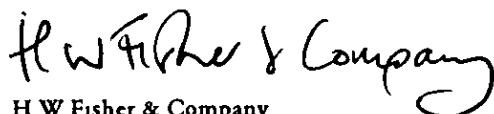
This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of accounts.

On page 4 you have acknowledged your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.

We draw your attention to notes 11 and 15 to the accounts which disclose and explain a departure from applicable accounting standards. The company holds investment properties in the balance sheet at historic cost, this is a departure from the Statement of Standard Accounting Practice No 19 (SSAP19), "Accounting for Investment Properties", which requires investment properties to be included in the balance sheet at open market value.


H W Fisher & Company

Chartered Accountants
Acre House, 11-15 William Road
London
NW1 3ER

Dated *26 February 2007*

ITEMTRUMP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	123,540	101,586
Cost of sales		(6,797)	(6,897)
Gross profit		116,743	94,689
Administrative expenses		173,328	-
Operating profit		290,071	94,689
Other income	4	899	397,634
Interest payable and similar charges	5	(8,122)	-
Profit on ordinary activities before taxation		282,848	492,323
Tax on profit on ordinary activities	6	(84,854)	(147,251)
Profit on ordinary activities after taxation		197,994	345,072
Retained profit brought forward		817,092	472,020
Retained profit carried forward		1,015,086	817,092

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

There are no recognised gains and losses other than those passing through the profit and loss account

ITEMTRUMP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	£	2006 £	£	2005 £
Fixed assets					
Tangible assets	7		276,934		276,934
Current assets					
Debtors	8	826,512		749,622	
Cash at bank and in hand		34,060		1,835	
		<u>860,572</u>		<u>751,457</u>	
Creditors amounts falling due within one year	9	(122,418)		(211,297)	
Net current assets			<u>738,154</u>		<u>540,160</u>
Total assets less current liabilities			<u>1,015,088</u>		<u>817,094</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account			<u>1,015,086</u>		<u>817,092</u>
Shareholders' funds - all equity interests	11		<u>1,015,088</u>		<u>817,094</u>

The company is entitled to the exemption from the audit requirement contained in section 249A(1) of the Companies Act 1985, for the year ended 31 December 2006. No member of the company has deposited a notice, pursuant to section 249B(2), requiring an audit of these accounts.

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Act, and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company at 31 December 2006 and of its profit for the year then ended in accordance with section 226, and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on 23/02/07.



Director

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and in compliance with applicable accounting standards except for the non-compliance with paragraph 11 of Statement of Standard Accounting Practice No 19 (SSAP 19), "Accounting for Investment Properties" which requires investment properties to be included in the balance sheet at open market value

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Turnover

Turnover represents ground rents receivable, water charges levied, aerial and miscellaneous income in respect of the investment property. Turnover is accounted for on an accruals basis

1.3 Interest receivable

Interest receivable is accounted for on an accruals basis

1.4 Service charges

Costs incurred in the provision of utilities and services to the tenants occupying the investment property and income from the recharge of these costs to the tenants have not been accounted for in the company's accounts since responsibility for this activity was transferred to Golfrate Knightsbridge Limited as of 1 January 2004. The profit from service charges included in the accounts represents historic service charge balances previously provided for as bad debts now identified as recoverable from the managing agent

1.5 Investments

Long leasehold investment properties are stated at cost less any provision for permanent diminution in value. Due to the size of the investment property, the directors do not consider it economical to perform or obtain an open market valuation and as a result the financial effect of not holding the property at open market valuation cannot be quantified

1.6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

1.7 Depreciation

In accordance with SSAP 19, "Accounting for Investment Properties", depreciation is not provided on the long leasehold investment property which has over 20 years of the lease remaining. This treatment is a departure from the requirements of the Companies Act, 1985 concerning depreciation of fixed assets. However, the property is not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors that would impact on the valuation and the amount of depreciation which might otherwise have been shown cannot be separately identified or quantified

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

2 Turnover and profit on ordinary activities before taxation

Class of business	Turnover		Profit before taxation	
	2006	2005	2006	2005
	£	£	£	£
Service charge income	-	-	173,328	-
Rental income and water charges	123,540	101,586	109,520	94,689
	<u>123,540</u>	<u>101,586</u>	<u>282,848</u>	<u>94,689</u>

3 Employees

Number of employees

There were no employees during the year

4 Other income

	2006	2005
	£	£
Profit on disposal of tangible fixed assets	-	395,812
Interest receivable and similar income	899	1,822
	<u>899</u>	<u>397,634</u>

5 Interest payable and similar charges

	2006	2005
	£	£
Interest payable on		
Late payment of tax	8,122	-
	<u>8,122</u>	<u>-</u>

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

6	Tax on profit on ordinary activities	2006 £	2006 £	2005 £	2005 £
	Current tax				
	<u>UK corporation tax</u>				
	Current tax on income for the period	84,854		147,251	
			84,854		147,251
	Factors affecting the tax charge for the year				
	Profit on ordinary activities before taxation		282,848		492,323
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)		84,854		147,697
	Effects of Other tax adjustments		-		(446)
	Current tax charge		84,854		147,251
7	Tangible fixed assets				
					Long Leasehold Land and Buildings £
	Cost				
	At 1 January 2006 and at 31 December 2006				276,934
	Depreciation				
	At 1 January 2006 and at 31 December 2006				-
	Net book value				
	At 31 December 2006				276,934
	At 31 December 2005				276,934

The residential investment property is carried at cost. In the opinion of the directors the fair value of the leasehold property is not less than cost.

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

8	Debtors	2006 £	2005 £
	Amounts due from managing agent	246,448	113,607
	Amounts owed by group undertakings	580,064	636,015
		<u>826,512</u>	<u>749,622</u>
<p>The amounts due from the managing agent represent cash held by that agent in a designated account for the company to meet service charge expenditure</p>			
9	Creditors amounts falling due within one year	2006 £	2005 £
	Amounts due to tenants	32,864	50,222
	Sinking Fund	-	10,138
	Corporation tax	84,854	147,437
	Accruals and deferred income	4,700	3,500
		<u>122,418</u>	<u>211,297</u>
10	Share capital	2006 £	2005 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
11	Reconciliation of movements in shareholders' funds	£	£
	Profit for the financial year	197,994	345,072
	Opening shareholders' funds	<u>817,094</u>	<u>472,022</u>
	Closing shareholders' funds	<u>1,015,088</u>	<u>817,094</u>

ITEMTRUMP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

12 Related party transactions

At the year end the company was owed £580,064 (2005 £636,016) by ACT Finance Limited, a group company, in respect of loans advanced

On 22 December 2003, a debenture comprising a first legal charge over the leasehold interest in the residential part of Princes Court, 78-94 Brompton Road with a floating charge over other present and future assets, was created in favour of Capital IRG Trustees Limited in respect of £85,000,000 loan to Golfrate Knightsbridge Limited and Knightsbridge Green Limited, to assist with the acquisition of the shares of Princes Court Limited, a company under common control

13 Controlling parties

The immediate parent company is Golfrate Knightsbridge Limited