

**Report of the Directors and
Financial Statements
for the Year Ended 31 January 2008
for
Oaklands Properties (Aberdare) Limited**

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Oaklands Properties (Aberdare) Limited

**Contents of the Financial Statements
for the Year Ended 31 January 2008**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Statement of Total Recognised Gains and Losses	5
Balance Sheet	6
Notes to the Financial Statements	7
Profit and Loss Account	11

Oaklands Properties (Aberdare) Limited

**Company Information
for the Year Ended 31 January 2008**

DIRECTORS:

H D Naydorf
R Taylor

SECRETARY:

H D Naydorf

REGISTERED OFFICE:

10A John Street
Aberwmbai
Aberdare
Rhondda Cynon Taff
CF44 6BL

REGISTERED NUMBER:

2678459

AUDITORS:

Broomfield & Alexander Limited
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Oaklands Properties (Aberdare) Limited

**Report of the Directors
for the Year Ended 31 January 2008**

The directors present their report with the financial statements of the company for the year ended 31 January 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2007 to the date of this report.

H D Naydorf
R Taylor

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Broomfield & Alexander Limited, will be proposed for re-appointment in accordance with the Companies Act 2006.

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:


H D Naydorf - Secretary

Date: 26.11.08

**Report of the Independent Auditors to the Shareholders of
Oaklands Properties (Aberdare) Limited**

We have audited the financial statements of Oaklands Properties (Aberdare) Limited for the year ended 31 January 2008 on pages four to ten. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 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 on page two.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

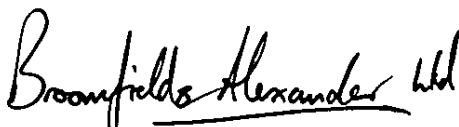
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 January 2008 and of its loss 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 Report of the Directors is consistent with the financial statements.



Broomfield & Alexander Limited
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Date: 27th November 2008

Oaklands Properties (Aberdare) Limited

**Profit and Loss Account
for the Year Ended 31 January 2008**

	Notes	2008 £	2007 £
TURNOVER		132,801	147,957
Administrative expenses		<u>137,962</u>	<u>121,910</u>
		(5,161)	26,047
Other operating income		<u>10,400</u>	<u>40,850</u>
OPERATING PROFIT	2	5,239	66,897
Profit/loss on sale of invest		<u>(98,428)</u>	<u>19,004</u>
		(93,189)	85,901
Interest receivable and similar income		<u>612</u>	<u>930</u>
		(92,577)	86,831
Interest payable and similar charges		<u>73,434</u>	<u>59,783</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(166,011)	27,048
Tax on (loss)/profit on ordinary activities	3	<u>-</u>	<u>3,364</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(166,011)</u>	<u>23,684</u>

The notes form part of these financial statements

Oaklands Properties (Aberdare) Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 January 2008**

	2008 £	2007 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(166,011)	23,684
Revaluation surplus/deficit	<u>58,487</u>	<u>(110,744)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(107,524)</u>	<u>(87,060)</u>

The notes form part of these financial statements

Oaklands Properties (Aberdare) Limited

**Balance Sheet
31 January 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	5	569	673
Investments	6	3,308,147	3,505,000
		<u>3,308,716</u>	<u>3,505,673</u>
CURRENT ASSETS			
Cash at bank		127	19,197
CREDITORS			
Amounts falling due within one year	7	<u>269,227</u>	<u>233,401</u>
NET CURRENT LIABILITIES		<u>(269,100)</u>	<u>(214,204)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,039,616</u>	<u>3,291,469</u>
CREDITORS			
Amounts falling due after more than one year	8	<u>806,186</u>	<u>890,514</u>
NET ASSETS		<u><u>2,233,430</u></u>	<u><u>2,400,955</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Revaluation reserve	11	2,126,702	2,295,934
Profit and loss account	11	<u>106,726</u>	<u>105,019</u>
SHAREHOLDERS' FUNDS		<u><u>2,233,430</u></u>	<u><u>2,400,955</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 26.11.08 and were signed on its behalf by:

H. D. Naydorf
H D Naydorf - Director

The notes form part of these financial statements

Oaklands Properties (Aberdare) Limited

**Notes to the Financial Statements
for the Year Ended 31 January 2008**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Investment properties

Investment properties are accounted for in accordance with Statement of Standard Accounting Practice No. 19 as follows:

(i) investment properties are revalued periodically and the surplus or deficit is transferred to a revaluation reserve. Where a deficit on an individual investment property is expected to be permanent, the amount by which the deficit exceeds the amount in the revaluation reserve is charged in the profit and loss account; and

(ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold properties with over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation or amortisation is necessary to give a true and fair view, since the current value of investment properties, and changes in the current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation - owned assets	105	125
Auditors' remuneration	1,750	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	42,414	62,068
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	2008 £	2007 £
Current tax:		
UK corporation tax	-	3,364
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	-	3,364
	<u> </u>	<u> </u>

Oaklands Properties (Aberdare) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2008**

4. DIVIDENDS

	2008 £	2007 £
Ordinary shares of £1 each		
Final	<u>60,000</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 February 2007 and 31 January 2008	<u>3,513</u>	<u>1,112</u>	<u>4,625</u>
DEPRECIATION			
At 1 February 2007	2,874	1,077	3,951
Charge for year	96	9	105
At 31 January 2008	<u>2,970</u>	<u>1,086</u>	<u>4,056</u>
NET BOOK VALUE			
At 31 January 2008	<u>543</u>	<u>26</u>	<u>569</u>
At 31 January 2007	<u>639</u>	<u>35</u>	<u>674</u>

6. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 February 2007	3,505,000
Additions	273,089
Disposals	(528,428)
Revaluations	58,486
At 31 January 2008	<u>3,308,147</u>
NET BOOK VALUE	
At 31 January 2008	<u>3,308,147</u>
At 31 January 2007	<u>3,505,000</u>

Cost or valuation at 31 January 2008 is represented by:

	Unlisted investments £
Valuation in 2008	<u>3,308,147</u>

If the investment properties had not been revalued they would have been included at the following historical cost:

	2008 £	2007 £
Cost	<u>1,203,297</u>	<u>1,209,066</u>

Investment properties were valued on an open market basis on 26 February 2008 by Hutchings & Thomas Chartered Surveyors.

Oaklands Properties (Aberdare) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2008**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts	183,227	124,943
Taxation and social security	1,444	13,827
Other creditors	84,556	94,631
	<u>269,227</u>	<u>233,401</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Bank loans	786,186	870,514
Other creditors	20,000	20,000
	<u>806,186</u>	<u>890,514</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	<u>191,949</u>	<u>513,633</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2008	2007
	£	£
Bank overdrafts	34,668	35,723
Bank loans	934,745	959,734
	<u>969,413</u>	<u>995,457</u>

The bank loan and overdraft are secured by a first legal mortgage over the company's investment properties, a fixed charge over book debts and a floating charge over other assets, and by a limited intellectual guarantee given by Elm Properties (Aberdare) Limited.

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2008	2007
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008	2007
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

Oaklands Properties (Aberdare) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2008**

11. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 February 2007	105,019	2,295,934	2,400,953
Deficit for the year	(166,011)		(166,011)
Dividends	(60,000)		(60,000)
Revaluation surplus/deficit	-	58,486	58,486
Released on Disposal	227,718	(227,718)	-
At 31 January 2008	<u>106,726</u>	<u>2,126,702</u>	<u>2,233,428</u>

12. ULTIMATE PARENT COMPANY

The ultimate parent company is Oaklands Financial Ltd, a company incorporated in the British Virgin Islands.

13. RELATED PARTY DISCLOSURES

Mr H D Naydorf, and Mr R Taylor are directors of Elm Properties (Aberdare) Limited. Included in creditors is £40,793 due to Elm Properties (Aberdare) Limited (2007 £86,316), and also £32,547 due to Mr H D Naydorf.

Mr R Taylor is also a director of London and Continental Securities Limited. During the year the company paid £27,945 (2007- £Nil) to London and Continental Securities Limited for work undertaken.

14. ULTIMATE CONTROLLING PARTY

The company is ultimately controlled by the directors by virtue of their shareholdings in the holding company.