

Company Registration No 2688117 (England and Wales)

SANTON PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009

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SANTON PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Sean Carey Santon Close Nominees Ltd Santon Management Ltd
Secretary	Sean Carey Financial and Legal Services Ltd Ravi Patel
Company number	2688117
Registered office and Business address	3 rd Floor, Saunders House 52-53 The Mall Ealing, London W5 3TA
Auditors	Gerald Edelman 25 Harley Street London W1G 9BR

SANTON PROPERTY INVESTMENTS LIMITED

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SANTON PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2009

The directors present their report and financial statements for the year ended 30 April 2009.

Principal activities and review of the business

The principal activity of the company continued to be that of property and share investment.

A review of the company's business during the year and information relating to its financial instruments are given in the consolidated financial statements of the parent company.

Results and dividends

The results for the year are set out on page 5.

No dividend has been paid or declared during the year.

Directors

The following directors have held office since 1 May 2008:

Sean Carey
Santon Close Nominees Ltd
Santon Management Ltd

Auditors

In accordance with the company's articles, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put at a General Meeting.

SANTON PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

Directors' responsibilities

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 elected to prepare 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 judgments 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.


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 to auditors

So far as the directors are aware:

- (a) there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S. Carey

Director

6th November 2009

SANTON PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SANTON PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Santon Property Investments Limited for the year ended 30 April 2009 set out on pages 5 to 11. 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 sections 495 and 496 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 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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.

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 2009 and of its profit 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.

SANTON PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SANTON PROPERTY INVESTMENTS LIMITED

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.



D. B. Atkinson (Senior Statutory Auditor)

For and on behalf of Gerald Edelman

6th November 2009

**Chartered Accountants
Statutory Auditor**

25 Harley Street
London
W1G 9BR

SANTON PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2009

	Notes	2009 £	2008 £
Turnover	2	415,765	343,310
Administrative expenses		(107,952)	(17,568)
Exceptional write down of investments		(285,962)	-
Other operating income		46,368	15,805
Operating profit/(loss)	3	68,219	(341,547)
Other interest receivable and similar income		9,007	6,999
Interest payable	4	(215,683)	(348,492)
(Loss)/ profit on ordinary activities before taxation		(138,457)	54
Tax on (loss)/profit on ordinary activities	5	(35,928)	2,975
(Loss)/ profit for the year	12	(174,385)	3,029

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

Statement of total Recognised Gains and Losses

	2009 £	2008 £
(Loss)/Profit for financial year	174,385	3,029
Revaluation deficit	(1,810,000)	-
Total (losses)/profit recognised since last financial statements	(1,984,385)	3,029

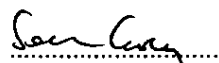
SANTON PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2009

	Note	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	6	4,240,000		6,050,000	
Investments	7	2,030,388		2,316,350	
		<u>6,270,388</u>		<u>8,366,350</u>	
Current assets					
Debtors	8	117,899		51,345	
Cash at bank and in hand		68,238		82,278	
		<u>186,137</u>		<u>133,623</u>	
Creditors: amounts falling due within one year	9	(5,165,138)		(236,017)	
Net current liabilities		<u>(4,979,001)</u>		<u>(102,394)</u>	
Total assets less current liabilities		1,291,387		8,263,956	
Creditors: amounts falling due after more than one year	10	(2,030,387)		(7,018,571)	
Net (Liabilities)/ assets		<u>(739,000)</u>		<u>1,245,385</u>	
Capital and reserves					
Called up share capital	11	100		100	
Revaluation reserve	12	(23,300)		1,786,700	
Profit and loss account	12	(715,800)		(541,415)	
Shareholders' funds	13	<u>(739,000)</u>		<u>1,245,385</u>	

Approved by the Board and authorised for issue on 6th November 2009



S. Carey
Director

Company Registration No. 2688117

SANTON PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis. After the year end, the company's bankers agreed to extend its banking facility in respect of the company's investment property portfolio. The new five year facility will be for £5.1 million expiring in October 2014. The directors believe that the company's post year-end efforts, which have generated additional cash flow from its property business, and the refinancing of its bank debts, will enable it to continue as a going concern for the foreseeable future.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom and is stated exclusive of VAT.

1.4 Investment Properties

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19 Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Investments

Unlisted investments are included in the financial statements at cost less provision for any permanent diminution in value.

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. No provision is made for the potential liability to the taxation which would arise in the event of the realization of the investment properties held at the balance sheet date at the amount at which they are stated in the financial statements. If the investment properties were disposed of the taxation liability could amount to approximately £300,000.

1.7 Loan issue costs

In accordance with FRS 25 ("Financial instruments") loans are included in the financial statements net of issue costs, which are amortised over the life of the loan.

SANTON PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2009

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom and is stated exclusive of VAT.

3 Operating (loss)/profit	2009 £	2008 £
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Operating (loss)/profit is stated after charging:

Auditors' remuneration	5,000	2,000
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4 Interest Payable	2009 £	2008 £
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On bank loans and overdrafts	215,683	348,492
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5 Taxation	2009 £	2008 £
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Domestic current year tax

Group relief	35,928	(2,975)
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Current tax charge	(35,928)	(2,975)
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Factors affecting the tax charge for the year

(Loss)/profit on ordinary activities before taxation	(138,457)	54
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(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008: 28.00%)

(38,767)	15
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Effects of:

Write down of investments	80,055	-
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Capital allowances	(1,712)	(2,990)
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Other adjustment	(3,647)	-
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74,696	(2,990)
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Current tax charge/(credit)	35,928	(2,975)
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6 Tangible Fixed assets – Investment Properties	2009 £
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Cost or valuation

At 1 May 2008	6,050,000
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Revaluation	(1,810,000)
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At 30 April 2009	4,240,000
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In the opinion of the directors the investment property is stated at market value.

SANTON PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2009

7 Fixed asset investments

Shares in participating interests

£

Cost or valuations

At 1 May 2008

2,316,350

Write down

(285,962)

At 30 April 2009

2,030,388

The above investments represent investments in Enterprise Zone Trusts

8 Debtors

2009

2008

£

£

Trade debtors

16,563

3,709

Amounts owed by group undertakings

42,601

47,525

Other debtors

58,735

111

117,899

51,345

9 Creditors: amounts falling due within one year

2009

2008

£

£

Bank Loans

4,996,523

-

Trade creditors

19,372

881

Amounts owed to participating interest

-

35,817

Taxes and social security costs

4,890

15,853

Other creditors

71,363

71,363

Accruals and deferred income

72,990

112,103

5,165,138

236,017

SANTON PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2009

10 Creditors: amounts falling due after more than one year	2009	2008
	£	£
Bank Loan	2,030,387	7,030,377

The above loans represent non-recourse bank loans secured by a first charge over Enterprise Zone Trust investments.

11 Share capital	2009	2008
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

12 Statement of movements on profit and loss account	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 May 2008	1,786,700	(541,415)
Loss for the year	-	(174,385)
Revaluation during the year	(1,810,000)	-
Balance at 30 April 2009	(23,300)	(715,800)

13 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
(Loss)/Profit for the financial year	(174,385)	3,029
Opening shareholders' funds	1,245,385	1,242,356
Revaluation Reserves Adjustment	(1,810,000)	-
Closing shareholders' funds	(739,000)	1,245,385

14 Employees

Number of employees

There were no employees during the year apart from the directors.

SANTON PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 30 APRIL 2009***

15 Control

The ultimate holding company is Santon Capital Plc, a company controlled by Bim Sandhu.

16 Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.