

The Armourers Hall Company Limited

Report and Accounts

31 March 2007



The Armourers Hall Company Limited

Registered No 2800134

Directors	C K Cash Prof W Bonfield J S Haw
Secretary	Cdre C W Waite
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	National Westminster Bank PLC 94 Moorgate London EC2M 6XT
Fund Managers	Rathbone Investment Management Limited 159 New Bond Street London W1S 2UD
Registered Office	Armourers' Hall 81 Coleman Street London EC2R 5BJ

Directors' report

The Directors present their report and accounts for the year ended 31 March 2007

Results and dividends

The profit for the year after taxation was £17,184 (2006 - £5,806)

The Directors do not recommend the payment of a dividend

Principal activity and review of the business

The principal activity of the Company is managing the operating activities of the properties owned by the Company. The Directors intend to continue that activity for the foreseeable future.

Fixed assets

Details of the fixed assets are given in note 6 to the accounts

Directors and their interests

The Directors who served during the year were as follows

S G B Martin (resigned 13 July 2006)

C K Cash

Prof W Bonfield

J S Haw (appointed 13 July 2006)

None of the Directors had any beneficial interest in the share capital of the Company during the year

Auditors

Each of the Directors represents that

- a) so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) 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

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Special provisions relating to small companies

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

Approved by the Board of Directors on 14 June 2007 and signed on behalf of the Board by


Secretary

Date 14 June 2007

Statement of Directors' responsibilities in respect of the accounts

The Directors are responsible for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 those accounts, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts 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.

Independent auditors' report

to the members of The Armourers Hall Company Limited

We have audited the Company's accounts for the year ended 31 March 2007 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 17. These accounts have been prepared on the basis of the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities.

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 Annual Report and the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practices) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts 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 accounts 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 Directors' Report is consistent with the accounts.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all information and explanations we require for our audit, or if the information specified by law regarding Directors' remuneration and other transactions is not disclosed.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

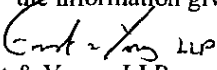
Independent auditors' report

to the members of The Armourers' Hall Company Limited (continued)

Opinion

In our opinion

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practices applicable to smaller entities, of the state of the Company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the accounts


Ernst & Young LLP

Registered Auditor
London

Date 24 July 2007

Profit and loss account

for the year ended 31 March 2007

	Notes	2007 £	2006 £
Turnover	2	323,935	303,864
Administrative expenses	3	(451,895)	(439,454)
		<u>(127,960)</u>	<u>(135,590)</u>
Other operating income	4	144,900	141,396
Profit on ordinary activities before taxation		<u>16,940</u>	<u>5,806</u>
Tax on profit on ordinary activities	5	244	—
Profit on ordinary activities after taxation	13	<u>17,184</u>	<u>5,806</u>
Retained earnings brought forward		<u>360,693</u>	<u>354,887</u>
Retained earnings carried forward		<u><u>377,877</u></u>	<u><u>360,693</u></u>

Statement of total recognised gains and losses

for the year ended 31 March 2007

	<i>Note</i>	<i>2007</i> £	<i>2006</i> £
Profit for the financial year on ordinary activities		17,184	5,806
Unrealised profit on investments	12	(45,046)	80,290
Current taxation on government bonds	12	12,061	1,194
Unrealised surplus on revaluation of properties	12	350,000	130,000
Corporation tax provision	12	38,000	—
Total recognised gains relating to the year		<u>372,199</u>	<u>217,290</u>
Total gains recognised since last annual report		<u>372,199</u>	<u>217,290</u>

Balance sheet

at 31 March 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible fixed assets	6	2,889,669	2,562,743
Investments	7	2,686,564	2,516,283
		<u>5,576,233</u>	<u>5,079,026</u>
Current assets			
Stock		50	450
Debtors	8	55,427	41,554
Cash at bank and in hand		225,638	426,351
		<u>281,115</u>	<u>468,355</u>
Creditors: amounts falling due within one year	9	(99,771)	(78,961)
		<u>181,344</u>	<u>389,394</u>
Net current assets			
		<u>5,757,577</u>	<u>5,468,420</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	10	(2,724,676)	(2,724,676)
		<u>3,032,901</u>	<u>2,743,744</u>
Capital and reserves			
Equity share capital	11	1,000,002	1,000,002
Revaluation reserve	12	1,655,022	1,383,049
Profit and loss account	13	377,877	360,693
		<u>3,032,901</u>	<u>2,743,744</u>
Equity Shareholders' Funds			
		<u>3,032,901</u>	<u>2,743,744</u>

The accounts 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

Approved by the board on 14 June 2007 and signed on its behalf



Director

Notes to the accounts

at 31 March 2007

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of fixed assets and in accordance with applicable accounting standards

The accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities

Investment properties

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve and no depreciation is provided in respect of freehold investment properties

The Directors consider that this accounting policy results in the accounts giving a true and fair view

Listed investments

Investments are shown at market value based on the middle market price quoted on the London Stock Exchange

Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets, excluding investment properties, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Hall improvements	–	over 10 years
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Statement of cash flows

A statement of cash flows is not presented as the Company is exempt as a small company in accordance with Financial Reporting Standard No 1

Repairs and maintenance

Repairs and maintenance costs of the Company's properties are written off in the profit and loss account as incurred

Investment income

Investment income is recognised on an accrual basis

Deferred taxation

Deferred taxation is provided 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, or right to pay less, tax in the future have occurred at the balance sheet date

Pensions

The Company operates a defined contribution pension scheme for certain employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Stocks

Stocks are stated at the lower of cost and net realisable value

Notes to the accounts

at 31 March 2007

2. Turnover

Turnover represents the invoiced value of amounts received and receivable in respect of the letting of the Company's properties

3. Administrative expenses

These include

	2007	2006
	£	£
Auditors' remuneration		
Audit of accounts	7,896	7,896
Taxation services	3,237	2,467
Depreciation of owned fixed assets	23,074	23,074
	<u> </u>	<u> </u>

The Directors received no remuneration for their services during the year

4. Other operating income

	2007	2006
	£	£
Income from Fixed Income & Government Securities	140,858	110,112
Other interest receivable	7,700	24,896
Profit/(loss) on sale of investments	(3,658)	6,388
	<u> </u>	<u> </u>
	144,900	141,396
	<u> </u>	<u> </u>

5. Tax on profit on ordinary activities

	2007	2006
	£	£
On profit on ordinary activities		
Corporation tax at 19% (2006 - 19%) payable on profits	(244)	-
	<u> </u>	<u> </u>
On profit on investment activities		
Corporation tax at 19% (2006 - 19%) on unrealised loss on investments	(12,061)	(1,194)
	<u> </u>	<u> </u>

Notes to the accounts

at 31 March 2007

5. Tax on profit on ordinary activities (continued)

Factors affecting current tax credit for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for a small company 19% (2006 - 19%)

The differences are explained below

	2007 £	2006 £
Net profit before taxation	16,940	5,806
Corporation tax at 19% (2006 - 19%)	3,219	1,103
Effects of		
Non deductible expenses	5,144	5,439
Capital allowances	(4,790)	(9,473)
Current year excess expenses	7,793	4,145
Excess expenses group relieved	(12,305)	—
Accounting profits on fixed assets	695	(1,214)
Current tax charge/(credit) for the year	(244)	—

There is an unrecognised deferred tax liability of £288,104 (2006 - £206,631) This relates to the tax that would be payable on the gain that would arise if 73 Moorgate were sold Under FRS 19, deferred tax is not recognised on revaluations of non-monetary assets unless the Company has entered into a binding agreement to sell the asset As a result, a deferred tax liability in respect of the corporation tax that would be payable if the property was sold has not been recognised

6. Tangible fixed assets

	Investment properties £	Hall improvements £	Total £
Cost or valuation			
At 1 April 2006	2,400,001	230,737	2,630,738
Additions	—	—	—
Surplus on revaluation	350,000	—	350,000
At 31 March 2007	2,750,001	230,737	2,980,738
Depreciation			
At 1 April 2006	—	67,995	67,995
Charge for year	—	23,074	23,074
At 31 March 2007	—	91,069	91,069
Net book value at 31 March 2007	2,750,001	139,668	2,889,669
Net book value at 31 March 2006	2,400,001	162,742	2,562,743

Notes to the accounts

at 31 March 2007

6. Tangible fixed assets (continued)

The net book value of land and buildings comprises

	2007	2006
	£	£
Investment properties at valuation	2,750,001	2,400,001

The investment property was valued at its open market value for existing use, in accordance with the Appraisal and Valuation Manual of The Royal Institute of Chartered Surveyors on 31 March 2007 by DTZ Debenham Tie Leung, professionally qualified chartered surveyors

7. Investments

Investment comprise of Government Securities

	2007	2006
	£	£
At valuation		
At 31 March 2006	2,516,283	1,912,185
Disposals	(183,206)	(763,900)
Purchases	398,533	1,287,708
Revaluation (deficit)/surplus	(45,046)	80,290
At 31 March 2007	2,686,564	2,516,283

8 Debtors

	2007	2006
	£	£
Trade debtors	30,272	27,875
Corporation tax recoverable	13,499	1,194
Prepayments and accrued income	11,110	11,937
Other debtors	546	548
	55,427	41,554

9. Creditors' amounts falling due within one year

	2007	2006
	£	£
Corporation tax	38,000	—
Other creditors	26,238	55,231
Accruals and deferred income	26,909	16,694
Other taxes and social security costs	3,353	3,496
Due to parent undertaking	5,271	3,540
	99,771	78,961

Notes to the accounts

at 31 March 2007

10. Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Amounts due to parent undertaking	2,724,676	2,724,676

The parent undertaking has indicated that the amounts will not be called within one year and there is no interest payable

11. Equity share capital

	Authorised 2007 & 2006 £	Allotted, called up and fully paid 2007 & 2006 £
Ordinary shares of £1 each	5,000,000	1,000,002

12. Revaluation reserve

	2007 £	2006 £
At 31 March 2006	1,383,049	1,182,477
Changes in the year	271,973	200,572
At 31 March 2007	1,655,022	1,383,049
	2007 £	2006 £
Changes in the year		
Arising on revaluation of 73 Moorgate	350,000	130,000
Arising on revaluation of investments	(45,046)	80,290
Taxation	12,061	1,194
Arising on (loss)/profit realised during the year	(7,042)	(10,912)
Arising on tax provision for prior year	(38,000)	–
	271,973	200,572

13. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2006	1,000,002	1,383,049	360,693	2,743,744
Profit for the year	–	–	17,184	17,184
Movement on revaluation reserve (note 12)	–	271,973	–	271,973
At 31 March 2007	1,000,002	1,655,022	377,877	3,032,901

Notes to the accounts

at 31 March 2007

14. Capital commitments

There are no capital commitments contracted for, or authorised by the Directors but not contracted for, at 31 March 2007 (2006 - £Nil)

15. Pension commitments

The Company operates a defined contribution scheme for certain employees. Premiums paid in the year amounted to £14,781 (2006 - £8,857)

There are no outstanding or pre-paid contributions at 31 March 2007. The assets of the scheme are held separately from those of the Company.

16. Related parties

The Company is a wholly owned subsidiary of the Worshipful Company of Armourers and Brasiers.

During the year the parent company charged £58,276 (2006 - £59,246) for overheads and was charged £30,000 (2006 - £30,000) for the use of the premises.

17. Ultimate Parent Company and Controlling Party

The company is a subsidiary undertaking of the Worshipful Company of Armourers and Brasiers, a company incorporated by Royal Charter in 1453.

Directors believe that the Worshipful Company of Armourers and Brasiers is the ultimate parent and controlling party.