

**Penn House (Crawley) Limited**

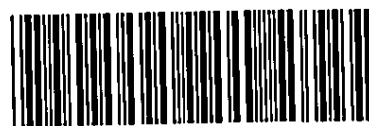
**Report and Financial Statements**

**Year Ended**

**31 March 2007**

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COMPANIES HOUSE

**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

**Penn House (Crawley) Limited**

**Annual report and financial statements for the year ended 31 March 2007**

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Director

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**Director**

REIT (Corporate Directors) Limited

**Secretary and registered office**

REIT (Corporate Services) Limited, 5 Wigmore Street, London W1U 1PB

**Company number**

2810109

**Auditors**

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

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**Penn House (Crawley) Limited**

**Report of the directors for the year ended 31 March 2007**

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The director presents its report together with the audited financial statements for the year ended 31 March 2007

**Results and dividends**

The profit and loss account is set out on page 5 and shows the loss for the year

During the year a dividend of £418,656 (31 March 2006 - £Nil) was paid

**Principal activities, trading review and future developments**

The principal activity of the company is property investment and management

The position of the company at the end of the year is set out in the balance sheet

The director considers that the company will perform satisfactorily in the forthcoming year

**Director**

The director of the company during the period was

REIT (Corporate Directors) Limited

The director had no beneficial interest in the share capital of the company or the parent company

## **Penn House (Crawley) Limited**

### **Report of the director for the year ended 31 March 2007 (*Continued*)**

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#### **Director's responsibilities**

Company law requires the director to prepare financial statements for each financial period 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 period. In preparing those financial statements, the director is 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

#### **Auditors**

The director has taken all the steps that it ought to have taken to make itself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is 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 as auditors will be proposed at the next annual general meeting.

**By order of the Board**



For and on behalf of REIT (Corporate Services) Limited

**Secretary**

6 March 2007

**Date**

## **Penn House (Crawley) Limited**

### **Report of the independent auditors**

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#### **To the shareholders of Penn House (Crawley) Limited**

We have audited the financial statements of Penn House (Crawley) Limited for the year ended 31 March 2007 which comprise the profit and loss account, the statement of reconciliation of movements in shareholders' funds, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Director is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Report of the Director 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 United Kingdom Auditing Standards 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.

**Penn House (Crawley) Limited**

**Report of the independent auditors (*Continued*)**

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*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 March 2007 and 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 director is consistent with the financial statements

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants*

*and Registered Auditors*

London

Date *30 January 2008*

**Penn House (Crawley) Limited**

**Profit and loss account for the year ended 31 March 2007**

	Note	Year ended 31 March 2007 £	Year ended 31 March 2006 £
<b>Turnover</b>	1	<b>523</b>	66,136
Cost of sales		<b>(615)</b>	(380)
<b>Gross (loss)/ profit</b>		<b>(92)</b>	65,756
Administrative expenses		<b>(100)</b>	(8,405)
<b>Operating (loss)/profit</b>	2	<b>(192)</b>	57,351
Profit on sale of investment properties		-	103,232
Interest payable- Interest payable to group companies		-	(13,909)
Interest receivable and similar income		-	263
<b>Loss/Profit on ordinary activities before taxation</b>		<b>(192)</b>	146,937
Taxation on profit on ordinary activities	3	-	36,513
<b>Loss/Profit on ordinary activities after taxation transferred to reserves</b>	8	<b>(192)</b>	183,450

All amounts relate to continuing activities

There are no recognised gains or losses other than those disclosed in the profit and loss account and accordingly no statement of total recognised gains and losses is presented

The notes on pages 7 to 11 form part of these financial statements

**Penn House (Crawley) Limited**

**Statement of reconciliation of movements in shareholders' funds for the year ended 31 March 2007**

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	<b>Year ended 31 March 2007 £</b>	<b>Year ended 31 March 2006 £</b>
<b>Reconciliation of movements in shareholders' funds</b>		
Loss for the year	<b>(192)</b>	183,450
Dividends paid	<b>(418,656)</b>	-
	<hr/>	<hr/>
Net movement in shareholders' funds	<b>(418,848)</b>	183,450
Opening shareholders' funds/deficit	<b>418,658</b>	235,208
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	<b>(190)</b>	418,658
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The notes on pages 8 to 11 form part of these financial statements



**Penn House (Crawley) Limited**

**Balance sheet at 31 March 2007**

	Note	31 March 2006 £	31 March 2006 £
<b>Current assets</b>			
Debtors	5	443,132	457,948
<b>Creditors: amounts falling due within one year</b>	6	<b>(443,322)</b>	<b>(39,290)</b>
<b>Net (liabilities)/assets</b>		<b>(190)</b>	<b>418,658</b>
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account	8	(192)	418,656
<b>Equity shareholders' (deficit)/funds</b>		<b>(190)</b>	<b>418,658</b>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved and authorised for issue by the Board on

For and on behalf of REIT (Corporate Directors) Limited  
Director

The notes on pages 8 to 11 form part of these financial statements

## **Penn House (Crawley) Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2007**

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#### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

##### *Turnover*

Turnover derives from one class of business and represents gross rents receivable. All turnover derives from activities within the United Kingdom.

##### *Interest*

Interest is payable on amounts due to the parent company. The cost to the group is charged to the company in line with established Intra-Group Loan Agreements. All interest is charged to the profit and loss account as accrued.

##### *Sales of properties*

Sales of investment properties are recognised when contracts are unconditionally exchanged. The surpluses arising on the sale of investment properties, based on the excess of sale proceeds over book value, are included within the profit and loss account. Surpluses resulting from revaluation of property, previously taken to revaluation reserves, are included in the surplus on realisation, and shown as a movement on reserves.

##### *Deferred taxation*

Deferred tax is provided in full on timing differences which, at the balance sheet date, result in obligation to pay more tax, or a right to pay less tax, at a future date. Such provision is made 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 financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these 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.

#### **2 Operating (loss)/profit**

The company had no employees during the current or preceding period.

None of the directors of the company received any emoluments during the current or preceding period in respect of services to the company.

Auditors' remuneration was borne by the parent company in the current and preceding period.

Details of employee costs and auditors' remuneration are shown in the financial statements of the parent company.

**Penn House (Crawley) Limited**

**Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)**

**3 Taxation on profit on ordinary activities**

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
<i>Current tax</i>		
UK corporation tax on profits of the period	-	-
<i>Deferred tax</i>		
Capital allowances in excess of depreciation	-	36,513

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
(Loss)/profit on ordinary activities before tax	(192)	146,937
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (31 March 2006 - 30%)	(58)	44,081
Effects of		
Capital allowances in excess of depreciation	-	(596)
Group relief surrendered/(received)	28	(12,515)
Accounting profit on capital disposals in excess of taxable profit	-	(30,970)
Disallowed expenses	30	-
Current tax charge for period	-	-

**4 Dividends payable**

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Interim dividend for the year at £209,328 per share - paid	418,656	-

**Penn House (Crawley) Limited**

**Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)**

**5 Debtors**

	<b>31 March 2007 £</b>	<b>31 March 2006 £</b>
Amounts owed by group undertakings	<b>443,120</b>	457,636
Other debtors	<b>12</b>	312
	<u><b>443,132</b></u>	<u>457,948</u>

All amounts shown under debtors fall due for payment within one year

**6 Creditors: amounts falling due within one year**

	<b>31 March 2007 £</b>	<b>31 March 2006 £</b>
Trade creditors	-	615
Amounts due to group undertakings	<b>443,322</b>	38,675
	<u><b>443,322</b></u>	<u>39,290</u>

**7 Share capital**

	<b>31 March 2007 Number</b>	<b>31 March 2006 Number</b>	<b>Authorised 31 March 2007 £</b>	<b>31 March 2006 £</b>
Ordinary shares of £1 each	<b>100</b>	100	<b>100</b>	100
	<u><b>100</b></u>	<u>100</u>	<u><b>100</b></u>	<u>100</u>
	<b>Allotted, called up and fully paid</b>			
	<b>31 March 2007 Number</b>	<b>31 March 2006 Number</b>	<b>31 March 2007 £</b>	<b>31 March 2006 £</b>
Ordinary shares of £1 each	<b>2</b>	2	<b>2</b>	2
	<u><b>2</b></u>	<u>2</u>	<u><b>2</b></u>	<u>2</u>

## **Penn House (Crawley) Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)**

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<b>8 Profit and loss account</b>	<b>£</b>
At 1 April 2006	418,656
Loss for the year	(192)
Dividends paid	(418,656)
	<hr/>
<b>At 31 March 2007</b>	<b>(192)</b>
	<hr/>

## **9 Related party transactions**

During the year the company paid management fees of £Nil (31 March 2006-£8,405) to REIT Asset Management. REIT Asset Management is a related party by virtue of certain directors of REIT Corporate Directors Limited being partners of that entity.

The company is taking advantage of the exemption granted by paragraph 3(c) of FRS 8 – Related Party Disclosures not to disclose transactions with group companies which are related parties.

## **10 Immediate and ultimate parent company**

The immediate parent company is Forecourt Properties Limited and the largest parent company in the UK is Estates & General Limited for which group financial statements are prepared. Both are incorporated and registered in England and Wales. The ultimate controlling entity, in the director's opinion, is Trafalgar Overseas Limited, a company registered in Gibraltar.

## **11 Cash flow statement**

The company is not presenting a cash flow statement. It has taken advantage of the exemption in FRS 1 as the parent company, Estates & General Limited, has included a consolidated cash flow statement within its own consolidated financial statements.