

Registration number 3576145

# Sableknight Victoria Limited

Directors' Report and Financial Statements

Year Ended 31 December 2010

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# **Sableknight Victoria Limited**

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**Year Ended 31 December 2010**

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# **Sableknight Victoria Limited**

## **Company Information**

**Year Ended 31 December 2010**

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**Directors** R S Broadhurst CBE  
I C Woodward

**Company secretary** G Spinks

**Registered office** 90 Fetter Lane  
London  
EC4A 1PT

**Bankers** Coutts & Co  
Commercial Banking  
440 Strand  
London  
WC2R 0QS

**Auditors** KPMG LLP  
Arlington Business Park  
Theale  
Reading  
Berkshire  
RG7 4SD

**Sableknight Victoria Limited**  
**Directors' Report**  
**Year Ended 31 December 2010**

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The directors present their report and the financial statements for the year ended 31 December 2010

**Directors of the company**

The directors who held office during the year were as follows

R S Broadhurst CBE

I C Woodward

**Principal activity**

The principal activity of the company is the holding of an investment in a limited partnership

**Directors' liabilities**

During the year, directors and officers liability insurance was provided to the directors. No claim was made under this provision

**Disclosure of information to the auditors**

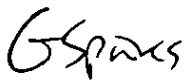
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Reappointment of auditors**

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Directors' Report has been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on <sup>19 May 2011</sup> and signed on its behalf by



G Spinks  
Company secretary

## **Sableknight Victoria Limited**

### **Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements**

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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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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 have general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SABLEKNIGHT VICTORIA LIMITED**

We have audited the financial statements of Sableknight Victoria Limited for the year ended 31 December 2010 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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, and express an opinion on, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 31 December 2010 and of the company's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

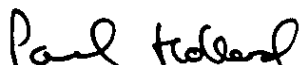
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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.



**Paul Holland (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
Arlington Business Park  
Theale  
Reading  
RG74SD

24 May 2011

**Sableknight Victoria Limited**  
**Profit and Loss Account**  
**Year Ended 31 December 2010**

	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
Administrative expenses		(16,651)	(37,852)
Other operating income		<u>665,475</u>	<u>639,799</u>
Operating profit	2	648,824	601,947
Other interest receivable and similar income	3	<u>6,156</u>	<u>68,747</u>
Profit on ordinary activities before taxation		654,980	670,694
Tax on profit or loss on ordinary activities	4	<u>27,030</u>	<u>(148,968)</u>
Profit for the financial year		<u>682,010</u>	<u>521,726</u>

Operating profit derives wholly from continuing operations

**Sableknight Victoria Limited**  
**Statement of Total Recognised Gains and Losses**  
**Year Ended 31 December 2010**

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	<b>Note</b>	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
Profit for the financial year		682,010	521,726
Unrealised surplus on revaluation of fixed asset investments		<u>1,660,000</u>	<u>1,140,000</u>
Total recognised gains and losses relating to the year		<u>2,342,010</u>	<u>1,661,726</u>



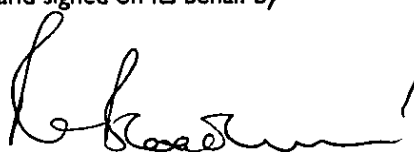
**Sableknight Victoria Limited**  
**(Registration number: 3576145)**  
**Balance Sheet at 31 December 2010**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Investments	5	11,300,050	9,640,050
<b>Current assets</b>			
Debtors Amounts falling due within one year		167,516	682,764
Debtors Amounts falling due after more than one year		41,404,802	55,209,503
	6	41,572,318	55,892,267
Creditors Amounts falling due within one year	7	(10,711)	(12,670)
Net current assets		41,561,607	55,879,597
Net assets		52,861,657	65,519,647
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Revaluation reserve	11	(1,537,928)	(3,197,928)
Profit and loss account	11	54,399,584	68,717,574
		52,861,657	65,519,647

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies

Approved by the Board on 19 May 2011 and signed on its behalf by

R S Broadhurst CBE  
Director



**Sableknight Victoria Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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**I Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain fixed asset investments

**Exemption from preparing a cash flow statement**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

**Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

**Other operating income**

Other operating income consists of distributions received from the limited partnership, The SKV 160QVS LP

**Fixed asset investments**

The investment in the limited partnership represents the company's share of capital and loan accounts as shown in the financial statements of the partnership prepared under the historical cost convention, modified by the revaluation of investment property within the limited partnership

Investment properties are included within the limited partnership at open market values based on annual valuations. Such valuations are undertaken by independent valuers at least once every five years and by the directors in the interim periods

All changes in the open market values of these investment properties are taken to the statement of total recognised gains and losses, being a movement on the revaluation reserve.

Joint venture investments are included at cost

**Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred Taxation

**Sableknight Victoria Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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**2 Operating profit / loss**

Operating profit/loss is stated after charging

	2010 £	2009 £
Auditor's remuneration - The audit of the company's annual accounts	<u>6,000</u>	<u>5,000</u>

Amounts receivable by the company's auditors and their associates in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Sableknight Limited

Directors' emoluments are borne by the parent company and no remuneration is paid to directors in respect of their services to Sableknight Victoria Limited

**3 Other interest receivable and similar income**

	2010 £	2009 £
Bank interest receivable	-	68,747
Other interest receivable	<u>6,156</u>	<u>-</u>
	<u>6,156</u>	<u>68,747</u>

**Sableknight Victoria Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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**4 Taxation**

**Tax on profit on ordinary activities**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	-	148,968
Adjustments in respect of previous years	(27,030)	-
UK Corporation tax	<u>(27,030)</u>	<u>148,968</u>

**Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 28%)

The differences are reconciled below

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	654,980	670,694
Corporation tax at standard rate	<u>183,395</u>	<u>187,794</u>
Adjustment in respect of previous period	(27,030)	-
Group relief	<u>(183,395)</u>	<u>(38,826)</u>
Total current tax	<u>(27,030)</u>	<u>148,968</u>

**Sableknight Victoria Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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**5 Investments held as fixed assets**

**Shares in group undertakings and participating interests**

	<b>Joints ventures and associates £</b>	<b>Investment in Limited Partnership £</b>	<b>Total £</b>
<b>Net book value</b>			
At 1 January 2010	50	9,640,000	9,640,050
Revaluation	-	1,660,000	1,660,000
At 31 December 2010	<u>50</u>	<u>11,300,000</u>	<u>11,300,050</u>

The cost of the investment in the limited partnership was £12,837,928 at 31 December 2010 (2009: £12,837,928) and the cost of the investment in the joint venture was £50 at 31 December 2010 (2009: £50)

**Sableknight Victoria Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

<b>Undertaking</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Joint ventures</b>		
QVS Developments Limited	55.5%	Property development company
<b>Limited Partnership</b>		
The SKV 160QVS LP	90.1%	Property Investment

The loss for the financial period of QVS Developments Limited was (£993) and the aggregate amount of capital and reserves at the end of the period was £18,678. Sableknight Victoria Limited shares management control on a 50%/50% basis with Queensbury Holding Limited.

The company's investment in the limited partnership consists of its partnership capital and loan account balances modified by the revaluation of investment property within the limited partnership.

**Sableknight Victoria Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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**6 Debtors**

	2010 £	2009 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	41,407,318	55,212,548
Other debtors	165,000	150,000
Corporation tax	-	529,719
	<u>41,572,318</u>	<u>55,892,267</u>

**7 Creditors: Amounts falling due within one year**

	2010 £	2009 £
Corporation tax	406	-
Other creditors	10,305	12,670
	<u>10,711</u>	<u>12,670</u>

**8 Share capital**

**Allotted, called up and fully paid shares**

	No.	2010 £	No.	2009 £
1 ordinary share of £1.00 each	1	1	1	1

**9 Dividends**

	2010 £	2009 £
<b>Dividends paid</b>		
Prior year final dividend paid	<u>15,000,000</u>	<u>-</u>

**Sableknight Victoria Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2010**

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**10 Reconciliation of movement in shareholders' funds**

	2010 £	2009 £
Profit attributable to the members of the company	682,010	521,726
Other recognised gains and losses relating to the year	1,660,000	1,140,000
Dividends	(15,000,000)	-
Net (reduction)/addition to shareholders' funds	(12,657,990)	1,661,726
Shareholders' funds at 1 January	65,519,647	63,857,921
Shareholders' funds at 31 December	52,861,657	65,519,647

**11 Reserves**

	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2010	(3,197,928)	68,717,574	65,519,646
Profit for the year	-	682,010	682,010
Dividends	-	(15,000,000)	(15,000,000)
Surplus on revaluation of fixed asset investments	1,660,000	-	1,660,000
At 31 December 2010	(1,537,928)	54,399,584	52,861,656

**12 Related party transactions**

As the company is a wholly owned subsidiary of Sableknight Limited, the company has taken advantage of the exemption in FRS8 Related Party Disclosures and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

**13 Ultimate parent company**

The company is controlled by Sableknight Limited, who is also the company's parent undertaking. Sableknight Limited is incorporated in Great Britain and registered in England and Wales.

The only group in which the results of the company are consolidated is that headed by Sableknight Limited and a copy of the consolidated accounts can be obtained from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ. The company's ultimate controlling party is The Observer Publishing Trust.