

Prestbury Properties No. 2 Limited

Directors' report and financial statements

Registered number 3794656

31 December 2007

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

Principal activities

Prestbury Properties No 2 Limited operated as a property investment company. The company sold its investment property in a prior year and is in the process of winding down its business activities.

Business review

The profit before tax for the year was £750 (2006 £1,847 loss). The company paid dividends during the year of £nil (2006 £67,309).

Directors and directors' interests

The directors who held office during the year were as follows:

NM Leslau
SL Gumm

The company's Articles of Association do not require the directors to retire by rotation.

Auditors

Both of the current directors have taken all steps that they ought to have taken to make themselves 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 directors are not aware of any relevant audit information which has not been brought to the attention of the auditors.

A resolution for the reappointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



SL Gumm
Company Secretary

Cavendish House
18 Cavendish Square
London
W1G 0PJ
" September 2008

Statement of Directors' responsibilities in respect of the Directors' report and financial statements

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)

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 judgments and 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, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Report of the independent auditor to the members of Prestbury Properties No. 2 Limited

We have audited the financial statements of Prestbury Properties No 2 Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 Directors' Report 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 Directors' Report 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 judgments 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit 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 Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB
United Kingdom

11 September 2008

Profit and loss account

for the year ended 31 December 2007

	<i>Notes</i>	2007 £000	2006 £000
Administrative expenses		1	(2)
Profit/(loss) on ordinary activities before taxation	2,3	1	(2)
Taxation on profit/(loss) on ordinary activities	4	-	-
Retained profit/(loss) for the year		1	(2)


The company has no recognised gains or losses other than those shown above

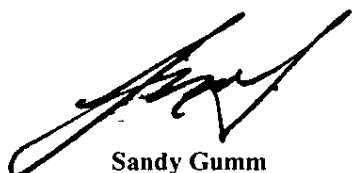
Historical cost profits and losses are as shown above

The notes on pages 8-9 form part of the financial statements

Balance sheet
as at 31 December 2007

	<i>Notes</i>	2007 £000	2006 £000
Current assets			
Debtors due after more than one year	5	2	3
Creditors: amounts falling due within one year	6	-	(2)
		<hr/>	<hr/>
Total assets less current liabilities		2	1
		<hr/>	<hr/>
Net assets		2	1
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	2	1
		<hr/>	<hr/>
Equity shareholders' funds		2	1
		<hr/>	<hr/>

These financial statements were approved by the board of directors on  September 2008 and were signed on its behalf by



Sandy Gumm
Director

The notes on pages 8-9 form part of these financial statements

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2007

	2007 £000	2006 £000
Profit/(loss) for the financial year	1	(2)
Dividend paid	-	(67)
Net movement in shareholders' funds	1	(69)
Opening shareholders' funds	1	70
Closing shareholders' funds	2	1

Notes (forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements

As the company is a subsidiary of Prestbury Investment Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Prestbury Group and Prestbury Investment Holdings Limited, within which this company is included, can be obtained from the address given in note 9

2 Profit/(loss) on ordinary activities before taxation

All profits and losses are derived from the company's principal activity, within the United Kingdom

The auditors' remuneration is paid by another group company

3 Remuneration of directors

The directors received no remuneration for their services to the company in either year The company had no employees in either year

4 Taxation on profit/(loss) on ordinary activities

	2007	2006
<i>Current tax</i>	£000	£000
UK corporation tax charge on loss on ordinary activities	-	-

The tax assessed for the year is consistent with the standard rate of corporation tax in the UK
 A summary is provided below

	2007	2006
	£000	£000
Profit/(loss) on ordinary activities before tax	1	(2)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30%	-	(1)
Losses carried forward	-	1
Current tax charge for year	-	-

The company is not aware of any significant factors that may affect future tax charges

Notes (continued)

5 Debtors

	2007	2006
	£000	£000
<i>Amounts due after more than one year</i>		
Amounts owed by group undertakings	2	3
	<hr/>	<hr/>

6 Creditors: amounts falling due within one year

	2007	2006
	£000	£000
Other creditors	-	2
	<hr/>	<hr/>

7 Called up equity share capital

	2007	2006
	£	£
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

8 Profit and loss reserve

	£000
At 1 January 2007	1
Profit for the year	1
	<hr/>
At 31 December 2007	2
	<hr/>

9 Ultimate parent company and parent undertaking of larger group of which the company is a member

The largest group in which the results of the company are consolidated is that headed by Prestbury Investment Holdings Limited and the smallest is that headed by Prestbury Group – both parent companies are incorporated in England and Wales. The consolidated accounts of these companies are available to the public and may be obtained from the Company Secretary, Cavendish House, 18 Cavendish Square, London, W1G 0PJ. No other group accounts include the results of the company.