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# **Peverel Scotland Limited**

## **Report and Financial Statements**

31 December 2007

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COMPANIES HOUSE

# **Peverel Scotland Limited**

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Registered No 3829468

## **DIRECTORS**

N G Bannister FIRPM  
K C Rutherford FIRPM  
W K Proctor  
M J Gaston

## **SECRETARY**

D C Edwards LLB

## **AUDITORS**

BDO Stoy Hayward LLP  
Arcadia House  
Maritime Walk  
Ocean Village  
Southampton  
SO14 3TL

## **BANKERS**

Bank of Scotland  
2<sup>nd</sup> Floor  
Pentland House  
8 Lochside Avenue  
Edinburgh  
EH12 9DJ

## **REGISTERED OFFICE**

Queensway House  
11 Queensway  
New Milton  
Hampshire  
BH25 5NR

# Peverel Scotland Limited

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## DIRECTORS' REPORT

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

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £133,278 (2006 £33,983) The directors do not recommend the payment of a dividend (2006 £nil)

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be that of estate management The company has traded satisfactorily during the year

Peverel Scotland Limited's parent company, Peverel Group Limited, was purchased on 31 May 2007 by Aztec Acquisitions Limited, a special purpose vehicle which is ultimately owned by The Tchenguiz Family Trust

The directors look forward to the year ahead with confidence

### DIRECTORS

The directors who served during the year were as follows

N G Bannister  
K C Rutherford  
M J Gaston (Appointed 31 May 2007)  
W K Proctor (Appointed 31 May 2007)

The directors are not liable to retire by rotation

### INSURANCE OF COMPANY OFFICERS

The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company

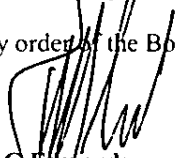
### AUDITORS

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information The directors are 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 will be proposed at the annual general meeting

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

By order of the Board

  
D C Edwards  
Secretary  
30 September 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year 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 year. In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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

# **Peverel Scotland Limited**

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## **REPORT OF THE INDEPENDENT AUDITORS**

### **To the Shareholders of Peverel Scotland Limited**

We have audited the company's financial statements (the "financial statements") of Peverel Scotland Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

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

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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.

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 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.

# **Peverel Scotland Limited**

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## **REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)**

### **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 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

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**  
**Chartered Accountants and Registered Auditors**  
**Southampton**  
**17 October 2008**

## Peverel Scotland Limited

### PROFIT AND LOSS ACCOUNT For the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
<b>TURNOVER</b>	<b>2</b>	<b>1,220,805</b>	<b>1,246,148</b>
Administrative expenses		(1,157,001)	(1,195,446)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>3</b>	<b>63,804</b>	<b>50,702</b>
Tax on profit on ordinary activities	<b>6</b>	69,474	(16,719)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>13</b>	<b>133,278</b>	<b>33,983</b>

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2007

There are no recognised gains or losses other than the profit attributable to shareholders for the year ended 31 December 2007 of £133,278 (2006 £33,983)

# Peverel Scotland Limited

## BALANCE SHEET at 31 December 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
<b>FIXED ASSETS</b>			
Tangible assets	7	5,343	8,530
		<u>5,343</u>	<u>8,530</u>
<b>CURRENT ASSETS</b>			
Debtors	8	603,307	320,985
Cash at bank and in hand		125,195	628,612
		<u>728,502</u>	<u>949,597</u>
<b>CREDITORS</b> amounts falling due within one year	10	(236,519)	(594,079)
<b>NET CURRENT ASSETS</b>		<u>491,983</u>	<u>355,518</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>497,326</u>	<u>364,048</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1	1
Profit and loss account	13	497,325	364,047
		<u>497,326</u>	<u>364,048</u>
<b>SHAREHOLDERS' FUNDS - equity interests</b>	13	<u>497,326</u>	<u>364,048</u>

These financial statements were approved and authorised for issue by the board of directors on 30 September 2008 and were signed on its behalf by



**N G Bannister**  
Chief Executive



NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2007

**1 ACCOUNTING POLICIES**

*Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and with the requirements of the Companies Act 1985

*Cash flow statement*

Advantage has been taken of the exemption available under Financial Reporting Standard 1 not to prepare a cash flow statement as the consolidated financial statements of the Aztec Opco Developments Limited group in which the company is included are publicly available

*Related parties*

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Aztec Opco Developments Limited or other group undertakings as the consolidated financial statements of Aztec Opco Developments Limited group in which the company is included are publicly available

*Depreciation and amortisation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its useful life, as follows

Plant and equipment	-	evenly over five years
Computer Hardware	-	evenly over five years
Computer Software	-	evenly over three years

*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*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

*Operating leases*

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease

*Pensions*

The group operates a defined contribution pension scheme for its employees to which the company makes a contribution under specified circumstances. The scheme is administered on behalf of employees by an independent insurance company in funds separate from the group's finances. The amount charged against profits represents the contributions payable by the company in to the scheme in respect of the period

# Peverel Scotland Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2007

### 2 TURNOVER

Turnover represents amounts derived from the provision of management services to developments under management which fall within the company's ordinary activities, stated net of value added tax, all of which is attributed to continuing operations generated in the UK

No developments under management are owned by any group companies

### 3. OPERATING PROFIT

This is stated after charging	2007	2006
	£	£
Depreciation	4,887	15,058
Operating lease rentals - plant and equipment	58,801	55,803
- other	25,825	33,162

The auditors are remunerated by a fellow subsidiary undertaking, Peverel Limited. The total audit fee for the UK group, of which Peverel Scotland Limited is a member, amounted to £82,500 (2006 £98,500)

### 4. DIRECTORS' EMOLUMENTS

The directors were paid by a fellow subsidiary undertaking, Peverel Limited, of which they are also directors. The directors' remuneration for the UK group amounted to £3,662,100 (2006 £685,652). The directors are unable to quantify the allocation of these amounts between individual companies within the group.

### 5 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	506,303	1,388,565
Social security costs	78,194	61,092
Other pension costs	11,187	68,093
	595,684	1,517,750

The payroll costs of house staff, included in the above table, are recharged to the developments under management and are not a direct cost to the company. These amounted to £906,325 in the year ended 31 December 2007 (2006 £885,324).

The average monthly number of employees, including directors, during the year was as follows:

	2007	2006
	No	No
Office and management	24	25
House managers and reliefs	81	76
	105	101

# Peverel Scotland Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

### 6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2007	2006
	£	£
<i>Current tax</i>		
UK Corporation tax on profits for the year	-	18,766
Adjustments in respect of prior periods' group interest	(18,766)	-
Group relief	12,284	-
Tax over provided in previous years	(35,066)	-
Total current tax	(41,548)	18,766
<i>Deferred taxation</i>		
Origination and reversal of timing differences	(27,926)	(2,047)
Deferred Tax	(27,926)	(2,047)
Tax on profit on ordinary activities	(69,474)	16,719

The tax charge is prepared on the assumption that available group relief will be paid for in full

#### (b) Factors affecting current tax charge

The tax assessed on the profit of ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below

	2007	2006
	£	£
Profit on ordinary activities before tax	63,804	50,702
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30% (2006 30%)	19,141	15,211
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,018	1,508
Fixed Asset timing differences	(805)	2,047
Other timing differences	28,731	-
Group interest adjustments	(38,143)	-
Group interest adjustment for prior period	(18,766)	-
Tax over provided in previous years	(35,066)	-
Effect of variable tax rates on deferred tax	2,342	-
Total current tax	(41,548)	18,766

# Peverel Scotland Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

### 7 TANGIBLE FIXED ASSETS

	<i>Plant and Equipment £</i>
Cost	
At 1 January 2007	87,036
Additions	1,700
At 31 December 2007	88,736
Depreciation	
At 1 January 2007	78,506
Provided during the year	4,887
At 31 December 2007	83,393
Net book value at 31 December 2007	5,343
Net book value at 31 December 2006	8,530

### 8. DEBTORS

	<i>2007 £</i>	<i>2006 £</i>
Trade debtors	23,908	21,971
Amounts due from fellow subsidiary undertaking	441,245	-
Deferred taxation (note 11)	32,781	4,855
Prepayments and accrued income	63,182	78,770
Other debtors	42,191	215,389
	603,307	320,985

### 9 CLIENT MONIES

	<i>2007 £</i>	<i>2006 £</i>
Residents' net cash balances held in trust accounts	651 213	1,794 242
Cash balances held in joint accounts	8,280	86

These balances are not reflected in the balance sheet

# Peverel Scotland Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

### 10. CREDITORS amounts falling due within one year

	2007 £	2006 £
Trade creditors	21,685	75,829
Other creditors	6,185	9,750
Group relief	12,284	-
Corporation tax	-	7,643
Other taxes and social security	25,850	27,887
Amounts due to ultimate parent undertaking	-	351,493
Accruals and deferred income	170,515	121,477
	<u>236,519</u>	<u>594,079</u>

### 11. DEFERRED TAXATION

The deferred tax included in the balance sheet is as follows

	2007 £	2006 £
Decelerated capital allowances	(4,050)	(4,855)
Short term timing differences	(28,731)	-
Deferred tax asset (note 8)	<u>(32,781)</u>	<u>(4,855)</u>

The movements in deferred taxation during the current and previous years are as follows

	2007 £	2006 £
At 1 January 2007	(4,855)	(2,808)
Provided during the year	(27,926)	(2,047)
At 31 December 2007	<u>(32,781)</u>	<u>(4,855)</u>

### 12. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2007 No	2006 No	2007 £	2006 £
Ordinary shares of £1 each	1 000	1,000	1	1

# Peverel Scotland Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

### 13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
As at 1 January 2006	1	330,064	330,065
Profit for the year	-	33,983	33,983
At 31 December 2006	1	364,047	364,048
Profit for the year	-	133,278	133,278
At 31 December 2007	1	497,325	497,326

### 14. FINANCIAL COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating leases which expire				
Within one year	-	-	5,824	8,865
In two to five years	45,830	45,830	23,136	30,716
	45,830	45,830	28,960	39,581

### 15 CONTINGENT LIABILITIES

The company has given no unlimited guarantees on the bank overdrafts and loans of various UK group undertakings (2006 £16,758,416)

The company has given unlimited guarantees on the bank overdrafts of various UK related parties. At 31 December 2007 the amount outstanding under these guarantees was £166,315 (2006 £365,764)

### 16 RELATED PARTY TRANSACTIONS

This company is a subsidiary of Euro Investments Overseas Inc, a company incorporated in the British Virgin Islands

Peverel Property Ownership Limited a company incorporated in England and Wales, is regarded as a related party due to it having a common ultimate parent undertaking and part common Directors

It is group policy to make available any current year losses arising in group companies (where not offset against taxable profits within that company) to other group companies for offset against taxable profits arising, with a view to minimising the group's overall effective tax rate

During the year none of the Board members, members of the key management staff or other related parties has undertaken any material transactions with Peverel Property Ownership Limited or its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2007

**17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's ultimate parent undertaking changed in the year to Euro Investments Overseas Inc, a company incorporated in the British Virgin Islands and the ultimate controlling party changed to The Tchenguiz Family Trust. Peverel Group Limited is the largest and smallest group for which group financial statements are prepared and are available to the public and may be obtained from Companies House, Cardiff.