

Islandview Properties Limited

Report and Financial Statements

Year Ended

28 February 2012

Company number 04430048

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Islandview Properties Limited

Report and financial statements for the year ended 28 February 2012

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Directors

A C Gallagher
Lord Harris of Peckham
G H Gosling
P J Saunders

Secretary and registered office

S A Burnett, 15 Hockley Court, Stratford Road, Hockley Heath, Solihull, West Midlands, B94 6NW

Company number

04430048

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Islandview Properties Limited

Report of the directors for the year ended 28 February 2012

The directors present their report together with the audited financial statements for the year ended 28 February 2012

Results

The profit and loss account is set out on page 5 and shows the loss for the year (2011 – loss)

The directors recommend the payment of a final dividend of £3,000,000 (2011 - £10,000,000)

Principal activities

The principal activity of the company in the year under review was that of investment

The results for the year and financial position of the company are as shown in the annexed financial statements

Directors

The directors of the company during the year were

A C Gallagher
Lord Harris of Peckham
G H Gosling
P J Saunders

Directors' responsibilities

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 United Kingdom 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 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 judgements and accounting 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,
- 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 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.

Islandview Properties Limited

Report of the directors for the year ended 28 February 2012 (*continued*)

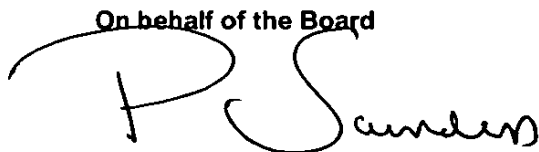
Auditors

All of the current 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 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 of which the auditors are unaware.

The auditors, BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting, in accordance with section 485 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'P J Saunders', written over the printed name.

P J Saunders
Director

8 August 2012

Islandview Properties Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISLANDVIEW PROPERTIES LIMITED

We have audited the financial statements of Islandview Properties Limited for the year ended 28 February 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors

As explained more fully in the statement of directors' responsibilities, 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.

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 28 February 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

Islandview Properties Limited

Independent auditor's report (*continued*)

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



*James Roberts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick*

Date *13 August 2012*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Islandview Properties Limited

Profit and loss account for the year ended 28 February 2012

	Note	2012 £	2011 £
Turnover	2	-	190,629
Administrative expenses		(1,212)	621,181
Operating profit/(loss)	3	1,212	(430,552)
Interest receivable and similar income		223	277
Interest payable and similar charges	4	(16,522)	(4,783,124)
Loss on disposal of investment properties		-	(4,330,705)
Loss on ordinary activities before taxation		(15,087)	(9,544,104)
Taxation on loss from ordinary activities		-	3,182,848
Loss for the financial year after taxation		(15,087)	(6,361,256)

All amounts relate to continuing activities

	2012 £	2011 £
Statement of total recognised gains and losses		
Loss for the financial year	(15,087)	(6,361,256)
Taxation in relation to loss on disposal of investment property	-	(4,136,984)
Total recognised losses in the year	(15,087)	(10,498,240)

The notes on pages 7 to 10 form part of these financial statements

Islandview Properties Limited

Balance sheet at 28 February 2012

Company number 04430048	Note	2012 £	2012 £	2011 £	2011 £
Current assets					
Debtors	6	434,958		4,435,518	
Cash at bank and in hand		59,410		163,319	
		<u>494,368</u>		<u>4,598,837</u>	
Creditors: amounts falling due within one year	7	125,575		1,214,957	
		<u></u>		<u></u>	
Net current assets			368,793		3,383,880
			<u></u>		<u></u>
Net assets			368,793		3,383,880
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		368,693		3,383,780
			<u></u>		<u></u>
Shareholders' funds	10		368,793		3,383,880
			<u></u>		<u></u>

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

The financial statements were approved by the Board and authorised for issue on 8 August 2012


P J Saunders
Director

The notes on pages 7 to 10 form part of these financial statements

Islandview Properties Limited

Notes forming part of the financial statements for the year ended 28 February 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings. The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is 'small' company under the Companies Act 2006.

Turnover

Turnover represents the rental income receivable, service charges and other recoveries from investment properties in the United Kingdom.

In circumstances where a tenant has been given an incentive into a lease by way of a payment, the incentive is treated as a reduction in rental income. The incentive is amortised on a straight-line basis over the period from term commencement to the date of the first rent review, in accordance with UITF 28. Where an incentive is given to a tenant by way of a rent free period, the total rental income receivable for the period to the first rent review is recognised on a straight line basis from term commencement to the date of the first rent review, in accordance with UITF 28.

Dividends

Equity dividends are recognised when they become legally payable. All dividends are approved by the shareholders at the AGM.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Amortisation of loan issue costs

Costs incurred in respect of obtaining loan finance are included in other debtors and are amortised on a straight line basis over the term of the loan in proportion to the outstanding loan.

Islandview Properties Limited

Notes forming part of the financial statements
for the year ended 28 February 2012 (*continued*)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Operating loss

	2012 £	2011 £
This has been arrived at after charging		
Auditors' remuneration	1,640	3,120

4 Interest payable and similar charges

	2012 £	2011 £
Bank interest	-	4,603,067
Other interest	16,522	-
Amortisation of loan issue costs	-	180,057
	16,522	4,783,124

5 Dividends

	2012 £	2011 £
Ordinary shares		
Final dividend of £30,000 (2011 - £100,000) per share	3,000,000	10,000,000

Islandview Properties Limited

Notes forming part of the financial statements
for the year ended 28 February 2012 (*continued*)

6 Debtors

	2012 £	2011 £
Amounts receivable within 1 year		
Amounts due from related undertakings	434,958	4,434,958
Other debtors	-	560
	<u>434,958</u>	<u>4,435,518</u>

7 Creditors, amounts falling due within one year

	2012 £	2011 £
Corporation tax	-	1,064,366
Other creditors	124,075	147,231
Accruals and deferred income	1,500	3,360
	<u>125,575</u>	<u>1,214,957</u>

8 Share capital

	2012 £	Allotted, called up and fully paid 2011 £
50 'A' ordinary shares of £1 each	50	50
50 'B' ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

9 Reserves

	Profit and loss account £
At 1 March 2011	3,383,780
Loss for the year	(15,087)
Dividend paid	(3,000,000)
	<u>368,693</u>
At 28 February 2012	

Islandview Properties Limited

Notes forming part of the financial statements
for the year ended 28 February 2012 (continued)

10 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Loss for the financial year	(15,087)	(10,498,240)
Dividend paid in the year	(3,000,000)	(10,000,000)
	<hr/>	<hr/>
Net reduction to shareholders' funds	(3,015,087)	(20,498,240)
Opening shareholders' funds	3,383,880	23,882,120
	<hr/>	<hr/>
Closing shareholders' funds	368,793	3,383,880
	<hr/>	<hr/>

11 Related party disclosures

At 28 February 2012 amounts due from related parties amounted to £217,479 (2011 - £2,217,479) due from both Ashflame Properties Limited and Harris Ventures Limited, who, under a joint venture agreement own the entire share capital of the company

During the period, rent and fees of £Nil (2011 - £21,837) were received from Carpetright plc, a company in which the ultimate controlling party of one of the joint venture partners held a material shareholding and interest

12 Controlling party

The company is controlled as a joint venture by Harris Ventures Limited and Ashflame Properties Limited