

Squarestone Management Limited

Directors' Report and Unaudited Financial Statements

For the Year Ended 31 August 2008

Company Registration No. 4698803 (England and Wales)

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Squarestone Management Limited

Annual Report and financial statements for the year ended 31 August 2008

COMPANY INFORMATION

Directors	T Barlow R Sloss J Almond
Secretary	A G Secretarial Limited
Company number	4698803
Registered office	4th Floor Clarebell House 5-6 Cork Street London W1S 3NX
Bankers	The Royal Bank of Scotland plc London Belgravia Branch 24 Grosvenor Place London Belgravia Branch SW1X 7HP

Squarestone Management Limited

Annual Report and financial statements for the year ended 31 August 2008

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Squarestone Management Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2008

The directors present their report and financial statements for the year ended 31 August 2008.

Principal activities

The principal activity is that of property management agents.

Review of the Business

During the year the Company continued to provide property management services, although the level of this activity has reduced from previous years. In addition, the Company acquired a development site in South Wales, part of which was sold during the year. It is anticipated that the remaining land will be sold during the latter part of 2009.

Directors

The following directors have held office since 1 September 2007:

R Sloss
T Barlow
J Almond

Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 that 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 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.

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

On behalf of the board



T Barlow
Director

26 June 2009

Squarestone Management Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2008

	Note	2008 £	2007 £
Turnover	2	1,242,922	34,029
Cost of Sales		(950,922)	
Administrative expenses		(43,239)	(47,852)
Other operating income		2,374	
		<hr/>	<hr/>
Operating profit/(loss)	3	251,134	(13,823)
Other interest receivable and similar income	4	4,353	780
Interest payable and similar charges			
		<hr/>	<hr/>
Profit/(Loss) on ordinary activities before taxation		255,487	(13,043)
Tax on profit/(loss) on ordinary activities	5	(74,437)	(190)
		<hr/>	<hr/>
Profit on ordinary activities after taxation	12	181,050	(13,233)
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account.

Squarestone Management Limited

BALANCE SHEET AS AT 31 AUGUST 2008

		2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	6		288		480
Current assets					
Stock and work in progress	7	148,111		-	
Debtors	8	25,030		11,522	
Cash at bank and in hand		47,895		97,694	
		<u>221,036</u>		<u>109,216</u>	
Creditors: amounts falling due within one year	9	(80,977)		(150,358)	
		<u></u>		<u></u>	
Net current (liabilities)/ assets			140,059		(41,142)
			<u></u>		<u></u>
Total assets less/plus current liabilities/ assets			140,347		(40,662)
			<u></u>		<u></u>
Provision for liabilities	10		-		(39)
			<u></u>		<u></u>
			140,347		(40,701)
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		140,345		(40,703)
			<u></u>		<u></u>
Shareholders' funds	13		140,347		(40,701)
			<u></u>		<u></u>

Squarestone Management Limited

BALANCE SHEET AS AT 31 AUGUST 2008

In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

Approved by the Board and authorised for issue on 26 June 2009.



T Barlow

Director



R Sloss

Director

Squarestone Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment 3 years

1.3 Stock and work in progress

Trading and development properties are included in stock at lower of cost and net realisable value. Cost includes all fees relating to the purchase of the property and development costs. Net realisable value is based on estimated selling price less future costs expected to be incurred. Property acquisitions and disposals are accounted for on legal completion.

2 Turnover	2008	2007
	£	£
Management Fee Income	22,922	30,029
Building Development Income	1,220,000	
	<hr/>	<hr/>
	1,242,922	30,029
	<hr/>	<hr/>
3 Operating Profit/(Loss)	2008	2007
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	192	95
	<hr/>	<hr/>
4 Investment Income	2008	2007
	£	£
Bank interest	4,177	780
Other Interest	175	
	<hr/>	<hr/>
	4,353	780
	<hr/>	<hr/>

Squarestone Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

5 Taxation	2008	2007
	£	£
Domestic current year tax		
U.K. Corporation tax	74,476	151
	<hr/>	<hr/>
Current tax charge	74,476	151
Deferred tax		
Deferred tax charge credit current year	(39)	39
	<hr/>	<hr/>
	74,437	190
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Profit/(Loss) on ordinary activities before taxation	255,487	(13,043)
	<hr/>	<hr/>
Profit/(Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007: 20.00%)	71,536	(2,609)
	<hr/>	<hr/>
Effects of:		
Non deductible expenses	5,720	2,821
Depreciation add back	54	19
Capital allowances	(18)	(57)
Tax losses utilised/(arising)	(1,011)	(18)
Marginal relief	(4,976)	(5)
Change of tax rate	3,170	-
	<hr/>	<hr/>
	2,939	2,760
	<hr/>	<hr/>
Current tax charge	74,476	151
	<hr/>	<hr/>

The company has estimated losses of £11,696 (2007: £15,306) available for carry forward against future trading profits.

Squarestone Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

6 Tangible fixed assets

**Plant and
machinery**

£

Cost

At 1 September 2007

480

Additions

-

At 31 August 2008

480

Depreciation

At 1 September 2007

95

Charge for the year

192

At 31 August 2007

287

Net book value

At 1 September 2007

385

At 31 August 2008

288

**2008
£**

**2007
£**

7 Stock and work in progress

Property held for development

148,111

-

148,111

0

**2008
£**

**2007
£**

8 Debtors

Trade debtors

11,815

1,817

Other debtors

13,215

9,705

25,030

11,522

Squarestone Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

9 Creditors: amounts falling due within one year	2008	2007
	£	£
Trade creditors	3,370	13,119
Taxation and social security	74,627	151
Other creditors	2,980	137,088
	<hr/>	<hr/>
	80,977	150,358
	<hr/>	<hr/>
 10 Provisions for tax liability is made up as follows:	 2008	 2007
	£	£
Accelerated capital allowances	-	39
	<hr/>	<hr/>
 11 Share capital	 2008	 2007
	£	£
Authorised		
1,000 Ordinary of £1 each	1,000	1,000
	<hr/>	<hr/>
Alloted, called up and fully		
2 Ordinary of £1 each	2	2
	<hr/>	<hr/>
 12 Statement of movements in profit and loss account		 Profit and loss account
		£
Balance at 1 September 2007		(40,705)
Profit for the year		181,050
		<hr/>
Balance at 31 August 2008		140,345
		<hr/>

Squarestone Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

13 Reconciliation of of movements in shareholders' funds

	2008 £	2007 £
Profit/(Loss) for the financial year	181,050	(13,233)
Opening shareholders' funds	(40,703)	(27,469)
	<hr/>	<hr/>
Closing shareholders' funds	140,347	(40,703)
	<hr/>	<hr/>

14 Control

The company is owned equally by R Sloss and T Barlow. No one individual has overall control of the company.

15 Related party transactions

The company has received services from Monteagle Barlow Trust Limited, a company in which T Barlow is a shareholder and a director, in the sum of £19,112.86 (incl.VAT).

The company has provided services to Monteagle Barlow Trust Limited, a company in which T Barlow is a director, in the sum of £8,940.12 (incl.VAT).

The company has provided services to Granton Investment Limited, a company in which R Sloss is a director, in the sum of £3,737.72 (incl.VAT).

Sales of £24,985.18 (Incl. VAT) represent sales to Squarestone Central London Limited Partnership. T Barlow and R Sloss are directors of the General Partner of that Limited Partnership, SCL GP and are directors of MBT and Granton respectively, which are Partners in that Limited Partnership.

Sales of £21,589.76 (Incl. VAT) represent sales to Squarestone Property Investment Management Limited in which T Barlow and R Sloss are shareholders and directors.

The company operates an interest free current account with Squarestone Property Investment Management Limited, whose directors are T Barlow and R Sloss. At the balance sheet date Squarestone Management Limited was owed £8,429.18

The pages which follow do not
form part of the statutory
financial statements of the company

Squarestone Management Limited

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 AUGUST
2008**

	Total 2008 £	Total 2007 £
Turnover		
Management Fee Income	22,922	34,029
Building Development Income	1,220,000	-
Cost of Sales	(950,922)	-
Administrative expenses	(43,239)	(47,852)
	<hr/>	<hr/>
	248,761	(13,823)
Other operating income		
Commissions received	2,374	-
	<hr/>	<hr/>
Operating (loss) /profit	251,134	(13,823)
 Other interest receivable and similar income		
Bank and other interest received	4,353	780
 Interest payable		
Interest on directors' loans	-	-
	<hr/>	<hr/>
(Loss) / Profit before taxation	255,487	(13,043)
 Taxation	74,437	-
	<hr/>	<hr/>
Profit on ordinary activities after tax	181,050	(13,043)
	<hr/>	<hr/>

Squarestone Management Limited

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 AUGUST 2008

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR YEAR ENDED 31 AUGUST 2007

	2008	2007
	£	£
Administrative expenses		
Repairs and maintenance	-	-
Office services including stationery and postage	1,034	2,019
Marketing costs	-	-
Website design and implementation	-	192
Telephone	1,603	1,779
Travelling expenses	14,785	8,514
Entertaining	8,018	14,107
Legal and professional fees	696	580
Management fees	15,602	17,958
Accountancy	-	2,123
Bank charges	307	247
Sundry expenses	(55)	238
Depreciation	192	95
Training Costs	323	-
Subsistence	735	-
	<hr/>	<hr/>
	43,239	47,852
	<hr/>	<hr/>