

# **Lanson Securities Limited**

Financial statements

For the period from 1 January 2005 to  
30 September 2005

**Grant Thornton** 



**Company No. 4864578**

## Company information

**Company registration number**

4864578

**Registered office**

Waverley  
Edgerton Road  
Huddersfield  
HD3 3AR

**Directors**

J R Cookson  
M H R I Wilson  
P V Carolan

**Secretary**

G M Berryman-Smart

**Bankers**

Bank of Scotland plc  
Specialist Property Finance  
Telford House  
3 Mid New Cutlins  
Edinburgh  
EH11 4DH

**Solicitors**

Shulmans  
120 Wellington Street  
Leeds  
LS11 5AE

**Auditors**

Grant Thornton UK LLP  
Chartered Accountants  
Registered Auditors  
St Johns Centre  
110 Albion Street  
Leeds  
LS2 8LA

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## Report of the directors

The directors present their report and the financial statements of the company for the period from 1 January 2005 to 30 September 2005.

### Principal activities and business review

The company operates principally as a landlord.

There was a profit for the period after taxation amounting to £6,875 (2004 - £22,587). The directors do not recommend payment of a dividend.

### Directors

The directors who served the company during the period were as follows:

Mr J R Cookson

Mr M H R I Wilson (Appointed 5 January 2005)

Mr P V Carolan (Appointed 1 January 2005)

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

### Directors' responsibilities

United Kingdom 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 at the end of the period and of the profit or loss for the period then ended. 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**Lanson Securities Limited**

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**Financial statements for the period from 1 January 2005 to  
30 September 2005**

**Small company provisions**

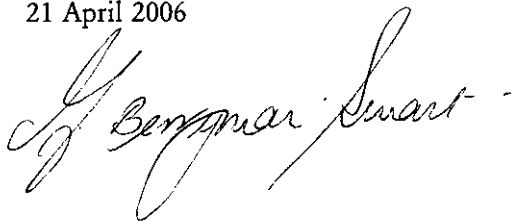
This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

G M Berryman-Smart

Secretary

21 April 2006

A handwritten signature in cursive script, reading "G M Berryman-Smart", written in black ink.

## Report of the independent auditors to the members of Lanson Securities Limited

We have audited the financial statements of Lanson Securities Limited for the period from 1 January 2005 to 30 September 2005 on pages 8 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 auditors' 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 report of the directors and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 if, in our opinion, the report of the directors is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**


We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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.

## Report of the independent auditors to the members of Lanson Securities Limited (continued)

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 2005 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

  
GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LEEDS

21 April 2006

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

### **Turnover**

The turnover shown in the profit and loss account represents amounts receivable by the company for rental income, exclusive of Value Added Tax.

### **Fixed assets**

All fixed assets are initially recorded at cost.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property                      -     2% straight line

### **Deferred taxation**

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 exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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.



## Profit and loss account

		Period from 1 Jan 05 to 30 Sep 05 £	Period from 13 Aug 03 to 31 Dec 04 £
	Note		
Turnover		88,854	119,768
Cost of sales		-	2,494
Gross profit		88,854	117,274
Other operating charges		37,632	32,034
		51,222	85,240
Interest payable and similar charges	2	38,356	51,241
<b>Profit on ordinary activities before taxation</b>	1	12,866	33,999
Tax on profit on ordinary activities	3	5,991	11,412
<b>Retained profit for the financial period</b>		6,875	22,587

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

## Balance sheet

	Note	30 Sep 05 £	31 Dec 04 £
<b>Fixed assets</b>			
Tangible assets	4	<u>1,257,587</u>	<u>1,277,135</u>
<b>Current assets</b>			
Debtors	5	19,339	52,970
Cash at bank		–	1,112
		<u>19,339</u>	<u>54,082</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>488,598</u>	<u>520,252</u>
<b>Net current liabilities</b>		<u>(469,259)</u>	<u>(466,170)</u>
<b>Total assets less current liabilities</b>		<u>788,328</u>	<u>810,965</u>
<b>Creditors: amounts falling due after more than one year</b>	7	<u>758,865</u>	<u>788,377</u>
		<u>29,463</u>	<u>22,588</u>
<b>Capital and reserves</b>			
Called-up equity share capital	10	1	1
Profit and loss account	11	<u>29,462</u>	<u>22,587</u>
<b>Shareholders' funds</b>	12	<u>29,463</u>	<u>22,588</u>

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

These financial statements were approved by the directors on 21 April 2006 and are signed on their behalf by:

  
.....  
J R Cookson  
Director

**1 Operating profit**

Operating profit is stated after charging:

	Period from 1 Jan 05 to 30 Sep 05 £	Period from 13 Aug 03 to 31 Dec 04 £
Depreciation of owned fixed assets	<u>19,548</u>	<u>26,064</u>

The average number of persons employed by the company during the financial year, including the directors, amounted to none (2004: none). No salaries or wages have been paid to employees, including the directors, during the year.

**2 Interest and similar charges**

	Period from 1 Jan 05 to 30 Sep 05 £	Period from 13 Aug 03 to 31 Dec 04 £
On bank loans and overdrafts	<u>38,356</u>	<u>51,241</u>

**3 Taxation**

(a) Analysis of charges in the year

	30 Sep 05 £	Year to 31 Dec 04 £
UK Corporation tax based on the results for the period at 19% (2004 - 19%)	5,492	11,412
Adjustments in respect of previous period	<u>(1,188)</u>	<u>-</u>
	<u>4,304</u>	<u>11,412</u>
Current tax		
Origination and reversal of timing differences	<u>1,687</u>	<u>-</u>
	<u>5,991</u>	<u>11,412</u>

### 3 Taxation (continued)

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

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>12,866</u>	<u>33,999</u>
Profit/(loss) on ordinary activities by rate of tax	3,860	10,200
Expenses not deductible for tax purposes	5,752	7,819
Allowances in excess of capital depreciation	(940)	-
Adjustments in respect of prior periods	(1,188)	-
Marginal rate adjustment	<u>(3,180)</u>	<u>(6,607)</u>
Total current tax (note 3(a))	<u>4,304</u>	<u>11,412</u>

### 4 Tangible fixed assets

	Freehold Property £
Cost	
At 1 January 2005 and 30 September 2005	<u>1,303,199</u>
Depreciation	
At 1 January 2005	26,064
Charge for the period	19,548
At 30 September 2005	<u>45,612</u>
Net book value	
At 30 September 2005	<u>1,257,587</u>
At 31 December 2004	<u>1,277,135</u>

**5 Debtors**

	30 Sep 05 £	31 Dec 04 £
Trade debtors	19,339	19,339
Amounts owed by related parties	-	33,631
	<u>19,339</u>	<u>52,970</u>

**6 Creditors: amounts falling due within one year**

	30 Sep 05 £	31 Dec 04 £
Bank loans and overdrafts	67,859	58,040
Trade creditors	10,425	247
Amounts owed to group undertakings	353,123	415,479
Corporation tax	5,991	11,412
Other taxation	6,254	-
Other creditors	44,946	35,074
	<u>488,598</u>	<u>520,252</u>

Bank loans and overdrafts are secured by charges over the company's freehold land and buildings.

**7 Creditors: amounts falling due after more than one year**

	30 Sep 05 £	31 Dec 04 £
Bank loans and overdrafts	<u>758,865</u>	<u>788,377</u>

Bank loans and overdrafts are secured by charges over the company's freehold land and buildings.

**8 Creditors - capital instruments**

Creditors include finance capital which is due for repayment as follows:

	30 Sep 05 £	31 Dec 04 £
Amounts repayable:		
In one year or less or on demand	58,040	58,040
In more than one year but not more than two years	58,040	58,040
In more than two years but not more than five years	174,120	174,120
In more than five years	526,705	556,217
	<u>816,905</u>	<u>846,417</u>

## 9 Related party transactions

Balances with related parties, by virtue of common directorships, were as follows:

	2005 £	2004 £
Lanson Developments Limited	<u>24,744</u>	<u>(33,361)</u>

During the period the company rented office space to Lanson Developments Limited for £37,500 (2004 £49,999)

As a wholly owned subsidiary of Lanson Estates Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Lanson Estates.

## 10 Share capital

Authorised share capital:

	30 Sep 05 £	31 Dec 04 £
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

Allotted, called up and fully paid:

	30 Sep 05 No	£	31 Dec 04 No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

## 11 Profit and loss account

	Period from 1 Jan 05 to 30 Sep 05 £	Period from 13 Aug 03 to 31 Dec 04 £
Balance brought forward	22,587	-
Retained profit for the financial period	6,875	22,587
Balance carried forward	<u>29,462</u>	<u>22,587</u>

## 12 Reconciliation of movements in shareholders' funds

	30 Sep 05 £	31 Dec 04 £
Profit for the financial period	6,875	22,587
New equity share capital subscribed	-	1
Net addition to shareholders' equity funds	<u>6,875</u>	<u>22,588</u>
Opening shareholders' equity funds	22,588	-
Closing shareholders' equity funds	<u>29,463</u>	<u>22,588</u>

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**13 Ultimate parent company**

Lanson Estates Limited is the controlling party by virtue of its ownership of the entire share capital of the company. The directors consider that there is no ultimate controlling party.