

# LAMONT PROPERTY PLC

## Annual Report and Accounts

For the Year to 31 October 2007

Registered Number 05273865



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## **Lamont Property Plc**

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## **Lamont Property Plc**

### **Company information**

Directors	David A Henderson (Chairman) John M Bottomley Anthony J Samaha
Secretary	John Bottomley One America Square London EC3N 2SG
Registered office	One America Square London EC3N 2SG
Auditors	Chapman Davis LLP 2 Chapel Court London SE1 1HH
Bankers	Bank of Scotland 14-16 Cockspur Street London SW1Y 5BL
Incorporated in England and Wales with registered number	05273865

## **Lamont Property Plc**

### **Chairman's statement**

On behalf of the Board, I am pleased to report the results of Lamont Property Plc ('the Company') for the year to 31 October 2007 and to provide an update on the Company

In the prior year, all cash and intellectual property (£53,000 in cash and £187,000 through reimbursement of prior administrative spend) that resided in Lamont Property Plc was transferred to Lamont Property (Jersey) Ltd and, in return, 2,400,000 shares were issued to Lamont Property Plc at 10p per share

Lamont Property (Jersey) Ltd has acquired 7 properties between September 2006 and March 2007. The fair value of the properties purchased by Lamont Property (Jersey) Ltd in their most recent signed annual report at 5 April 2007 was £68,605,000, and the net tangible asset per share was 23p

It was intended that Lamont Property (Jersey) Ltd would list in late 2007 or early 2008, but market conditions for commercial property has not been conducive for such a listing, and as such any proposed listing will need to be reviewed at a future date when market conditions have improved

During the period, commercial property market conditions deteriorated significantly. This was primarily due to the onset of the credit crisis and, to a lesser extent, a general correction in what many had regarded to be an overheated market. As a result of the credit crisis, some of the largest investment and commercial banks are now unwilling to lend on commercial property at all. This means the majority of property companies that rely on debt financing are now no longer able to participate in the market causing transactions volumes for the third quarter of 2007 to fall to 25% of what they were for the first quarter of 2007.

According to the IPD Index, commercial property showed a near 0% total return for the 12 months to December 2007. The index has shown a further deterioration in 2008 with negative total returns posted for January and February.

The impact on the Lamont Property (Jersey) Ltd portfolio will not be known until the portfolio is revalued.

Against this background, Lamont Property (Jersey) Ltd has taken the decision that it will not participate in the market for the foreseeable future due to the poor market conditions.

Regrettably, the Board does not foresee that there will be a change to this position in the immediate future.



David A. Henderson  
Chairman  
30 April 2008

## **Lamont Property Plc**

### **Directors' report**

The Directors are pleased to present their report and the financial statements of the Company for the year to 31 October 2007

### **Principal activities and business review**

The principal activity of the Company is to invest in commercial property

The developments during the period are detailed in the Chairman's statement

### **Results and dividends**

Loss on ordinary activities for the year to 31 October 2006, after taxation, amounted to £5,676 (2006 Profit £231,189)

The Directors do not propose the payment of a dividend

### **Directors and their interests**

The Directors who served during the year had, at that time, and at the date of their respective appointment, the following beneficial interests in the shares of the Company

	31 October 2007	31 October 2006
	Number of ordinary shares	Number of ordinary shares
David A Henderson	200,000	200,000
Anthony J Samaha (appointed 4 April 2007)	-	N/a
John M Bottomley (appointed 4 April 2007)	-	N/a
Colin J Buckle (resigned 4 April 2007)	N/a	100,000
Peter Hedges (resigned 4 April 2007)	N/a	100,000

There have been no changes in Directors' interests in shares since the year-end

The Company has agreed, subject to certain conditions, to grant share options over 400,000 ordinary shares to Mr David A Henderson at the placing price on admission of the Company to AIM, the exercise period expiring 10 years from admission

### **Share capital**

Information relating to shares issued during the period is given in the notes to the financial statements

### **Charitable and political donations**

During the period there were no charitable or political contributions

## **Lamont Property Plc**

### **Payment of suppliers**

The Company's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 28 days of receipt of invoice. The creditors at the period end date of 31 October 2007 relate solely to professional advisors.

### **Auditors**

Chapman Davis LLP was appointed auditors by the directors during the period and have expressed its willingness to continue in office. A resolution will be proposed at the Annual General Meeting to reappoint it as auditor and to authorise the directors to agree its remuneration.

### **Provision of information to auditors**

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

Each director has taken appropriate steps to ensure that they are aware of such relevant information, and that the company's auditors are aware of that information.

## **Statement of directors' responsibilities**

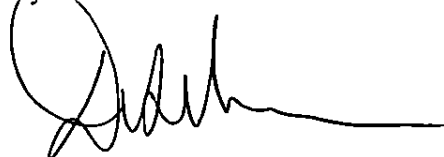
### **Directors' responsibilities for the financial statements**

Company law in the United Kingdom 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 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,
- state whether applicable 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 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.

By order of the Board



David A. Henderson  
Chairman  
30 April 2008

# **Lamont Property Plc**

## **Report of the independent auditors to the members of Lamont Property Plc**

We have audited the financial statements for the year ended 31 October 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities included within the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' Report, and the Chairman's Statement.

### **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 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.

### **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 affairs of the Company as at 31 October 2007 and of the results of the Company for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors report is consistent with the financial statements



Chapman Davis LLP  
Chartered Accountants and Registered Auditors  
LONDON  
30th April 2008

## **Lamont Property Plc**

### **Profit and loss account for the period ended 31 October 2007**

		<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Administrative Expenses	Note	(5,652)	41,905
Exceptional Item – recovery of admin exp		-	187,001
<hr/>			
Operating Profit / (Loss)		(5,652)	228,906
Interest Received		448	2,283
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Profit / (Loss) on Ordinary activities before taxation		(5,204)	231,189
Taxation on Ordinary activities	3	(472)	-
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Retained Profit / (Loss) for the financial year		(5,676)	231,189
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The accompanying accounting policies and notes form an integral part of these financial statements

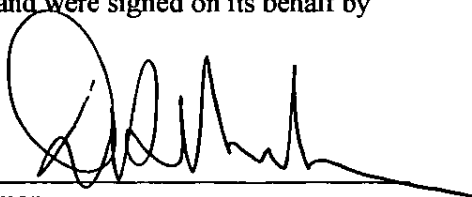


# Lamont Property Plc

## Balance sheet as at 31 October 2007

	Note	2007 £	2006 £
<b>Fixed Assets</b>			
Investments at cost	12	240,000	240,000
<b>Current Assets</b>			
Cash at bank		6,280	18,034
		<u>6,280</u>	<u>18,034</u>
<b>Creditors – falling due within one year</b>	5	(3,472)	(15,550)
<b>Net current assets</b>		<u>2,808</u>	<u>2,484</u>
<b>Net assets</b>		<u>242,808</u>	<u>242,484</u>
<b>Capital and reserves</b>			
Called up share capital	6	121,502	120,002
Share premium account		124,500	120,000
Profit and loss account		(3,194)	2,482
<b>Total Equity shareholders' funds</b>		<u>242,808</u>	<u>242,484</u>

The financial statements on pages 7 to 12 were approved by the board of directors on 30 April 2008 and were signed on its behalf by

  
Chairman

  
Director

The accompanying accounting policies and notes form an integral part of these financial statements

## **Lamont Property Plc**

### **Statement of accounting policies for the period ended 31 October 2007**

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### **Turnover**

The Company had no turnover during the period.

#### **Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

#### **Deferred tax**

Deferred tax is provided on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

#### **Investment**

Fixed asset investments are stated at cost less any provision permanent diminuting value.

## Lamont Property Plc

### Notes to financial statements for the period ended 31 October 2007

#### 1. Turnover and segmental analysis

The Company had no turnover during the period

All the administration costs were incurred by the Company in the United Kingdom

#### 2. Operating profit (loss)

The operating profit (loss) is stated after charging

	2007	2006
	£	£
Auditors' remuneration – audit services	2,500	7,050
Directors' emoluments	-	-

#### 3. Taxation

Current year taxation	2007	2006
UK Corporation tax at 30% on profits for the period	472	-
<b>Factors affective the tax charge for the period</b>		
Profit (loss) on Ordinary activities before tax	(5,204)	231,819
Profit (Loss) on ordinary activities at 30%	(1,561)	69,456
Effect of non-deductible expenses (reversed)	-	(47,696)
Effect of tax loss utilised/created	1,561	(21,760)
Under accrual from prior periods	472	-
Current period taxation	472	-

#### 4. Staff costs

The Company had no employees during the year The three non-executive directors were not paid for their services as directors

# Lamont Property Plc

## Notes to financial statements for the period ended 31 October 2007

### 5. Creditors – amounts falling due within one year

	2006	2005
Trade Creditors	-	7,050
Accruals	3,472	8,500
	<u>3,472</u>	<u>15,550</u>

### 6. Share capital

The authorised share capital of the Company and the called up and fully paid amounts at 31 October 2007 were as follows -

	2006	2005
<b>Authorised</b>		
1,000,000,000 ordinary shares of 5p each	50,000,000	50,000,000
<b>Allotted, called up and fully paid</b>		
2,430,040 ordinary shares of 5p each	<u>121,502</u>	<u>120,002</u>

### 7. Reserves

The movements on reserves during the period were as follows

	Share Premium Account £	Profit and Loss Account £
Brought forward 1 November 2006	120,000	2,482
Premium on shares issued during the period	4,500	-
Share issue expenses	-	-
Retained loss for the period	-	(5,676)
	<u>124,500</u>	<u>(3,194)</u>
As at 31 October 2007	124,500	(3,194)

### 8. Movement on equity shareholders' funds

	2007	2006
Brought forward 1 November	242,484	11,295
Profit (Loss) for the period	(5,676)	231,189
Proceeds from share issue	6,000	-
	<u>242,808</u>	<u>242,484</u>
Total Shareholders funds	242,808	242,484

## **Lamont Property Plc**

### **Notes to financial statements for the period ended 31 October 2007**

#### **9. Commitments**

As at 31 October 2007, the Company had no material capital commitments

#### **10. Related party transactions**

Sprecher Grier Halberstam LLP were paid £5,790 (inclusive VAT) during the period for company secretarial services. Mr John Bottomley is an employee of Sprecher Grier Halberstam LLP

#### **11. Financial instruments**

The Company has taken advantage of the exemption in Financial Reporting Standard 13, "Derivatives and Other Financial Instruments", in respect of short term debtors and creditors

#### **12. Investments**

This represents the cost of shares held in Lamont Property (Jersey) Ltd at cost. The directors are of the opinion that the market value of this investment is at least equal to its cost