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SQUARESTONE MANAGEMENT LIMITED

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2006**

**Company Registration No. 4698803 (England and Wales)**



# **SQUARESTONE MANAGEMENT LIMITED**

## **COMPANY INFORMATION**

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### **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

### **Accountants**

Duncan Sheard Glass  
45 Houghton Street  
Southport  
Merseyside  
PR9 0PG

### **Bankers**

The Royal Bank of Scotland plc  
London Belgravia Branch  
24 Grosvenor Place  
London  
SW1X 7HP

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# **SQUARESTONE MANAGEMENT LIMITED**

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# SQUARESTONE MANAGEMENT LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2006**

The directors present their report and financial statements for the year ended 31 August 2006.

### Principal activities

The principal activity is that of property management agents.

### Directors

The following directors have held office since 1 September 2005:

T Barlow  
R Sloss  
J Almond

### Directors' interests

The directors' interests in the shares of the company were as stated below:

|          | Ordinary of £1 each |                  |
|----------|---------------------|------------------|
|          | 31 August 2006      | 1 September 2005 |
| T Barlow | 1                   | 1                |
| R Sloss  | 1                   | 1                |
| J Almond | -                   | -                |

### Directors' responsibilities

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

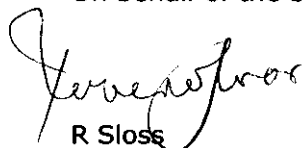
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 which 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



R Sloss  
**Director**

10 January 2007

# **SQUARESTONE MANAGEMENT LIMITED**

## **ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF SQUARESTONE MANAGEMENT LIMITED**

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In accordance with the engagement letter dated 16 December 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Squarestone Management Limited for the year ended 31 August 2006, set out on pages 3 to 8 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 August 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Duncan Sheard Glass  
Chartered Accountants  
45 Hoghton Street  
Southport  
Merseyside  
PR9 0PG

10 January 2007

# SQUARESTONE MANAGEMENT LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2006

|                                                             | Notes | 2006<br>£ | 2005<br>£ |
|-------------------------------------------------------------|-------|-----------|-----------|
| <b>Turnover</b>                                             |       | 109,930   | 47,333    |
| Administrative expenses                                     |       | (66,632)  | (62,143)  |
| Other operating income                                      |       | 1,300     | 11,396    |
| <b>Operating profit/(loss)</b>                              |       | 44,598    | (3,414)   |
| Other interest receivable and similar income                |       | 1,296     | 336       |
| Interest payable and similar charges                        |       | (7,674)   | (2,242)   |
| <b>Profit/(loss) on ordinary activities before taxation</b> |       | 38,220    | (5,320)   |
| Tax on profit/(loss) on ordinary activities                 | 3     | (103)     | -         |
| <b>Profit/(loss) on ordinary activities after taxation</b>  | 7     | 38,117    | (5,320)   |

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

There is no difference between either the results as disclosed in the profit and loss account before taxation and the accumulated profit for the year as stated above and their historical cost equivalents.

# SQUARESTONE MANAGEMENT LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2006

|                                                       | Notes | 2006<br>£       | £               | 2005<br>£       | £               |
|-------------------------------------------------------|-------|-----------------|-----------------|-----------------|-----------------|
| <b>Current assets</b>                                 |       |                 |                 |                 |                 |
| Debtors                                               | 4     | 14,839          |                 | 3,124           |                 |
| Cash at bank and in hand                              |       | 19,017          |                 | 26,811          |                 |
|                                                       |       | <u>33,856</u>   |                 | <u>29,935</u>   |                 |
| <b>Creditors: amounts falling due within one year</b> | 5     | <u>(61,325)</u> |                 | <u>(95,522)</u> |                 |
| <b>Total assets less current liabilities</b>          |       |                 | (27,469)        |                 | (65,587)        |
|                                                       |       |                 | <u></u>         |                 | <u></u>         |
| <b>Capital and reserves</b>                           |       |                 |                 |                 |                 |
| Called up share capital                               | 6     |                 | 2               |                 | 2               |
| Profit and loss account                               | 7     |                 | <u>(27,471)</u> |                 | <u>(65,589)</u> |
| <b>Shareholders' funds</b>                            | 8     |                 | <u>(27,469)</u> |                 | <u>(65,587)</u> |

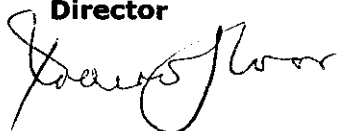
In preparing these financial statements:

- (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.

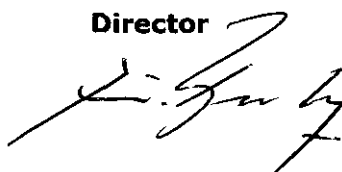
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and authorised for issue on 10 January 2007

R Sloss  
Director



T Barlow  
Director



# SQUARESTONE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

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### 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.

#### 1.3 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 2 Investment income

|               | 2006<br>£    | 2005<br>£  |
|---------------|--------------|------------|
| Bank interest | <u>1,296</u> | <u>336</u> |



# SQUARESTONE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

| <b>3 Taxation</b>                                                                                                                  | <b>2006</b>    | <b>2005</b>    |
|------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                    | <b>£</b>       | <b>£</b>       |
| <b>Domestic current year tax</b>                                                                                                   |                |                |
| U.K. corporation tax                                                                                                               | 103            | -              |
| <b>Current tax charge</b>                                                                                                          | <u>103</u>     | <u>-</u>       |
| <b>Factors affecting the tax charge for the year</b>                                                                               |                |                |
| Profit/(loss) on ordinary activities before taxation                                                                               | <u>38,220</u>  | <u>(5,320)</u> |
| Profit/(loss) on ordinary activities before taxation multiplied by<br>standard rate of UK corporation tax of 19.00% (2005: 19.00%) | <u>7,262</u>   | <u>(1,011)</u> |
| Effects of:                                                                                                                        |                |                |
| Non deductible expenses                                                                                                            | 1,560          | 762            |
| Tax losses utilised/(arising)                                                                                                      | (8,576)        | 312            |
| Other tax adjustments                                                                                                              | (143)          | (63)           |
|                                                                                                                                    | <u>(7,159)</u> | <u>1,011</u>   |
| <b>Current tax charge</b>                                                                                                          | <u>103</u>     | <u>-</u>       |

The company has estimated losses of £ 15,397 (2005: £ 60,534) available for carry forward against future trading profits.

| <b>4 Debtors</b> | <b>2006</b>   | <b>2005</b>  |
|------------------|---------------|--------------|
|                  | <b>£</b>      | <b>£</b>     |
| Trade debtors    | 13,395        | -            |
| Other debtors    | 1,444         | 3,124        |
|                  | <u>14,839</u> | <u>3,124</u> |

# SQUARESTONE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

|          |                                                           |                 |                                |
|----------|-----------------------------------------------------------|-----------------|--------------------------------|
| <b>5</b> | <b>Creditors: amounts falling due within one year</b>     | <b>2006</b>     | <b>2005</b>                    |
|          |                                                           | <b>£</b>        | <b>£</b>                       |
|          | Bank loans and overdrafts                                 | 1,107           | -                              |
|          | Trade creditors                                           | 21,536          | 581                            |
|          | Taxation and social security                              | 103             | -                              |
|          | Other creditors                                           | 38,579          | 94,941                         |
|          |                                                           | <u>61,325</u>   | <u>95,522</u>                  |
| <b>6</b> | <b>Share capital</b>                                      | <b>2006</b>     | <b>2005</b>                    |
|          |                                                           | <b>£</b>        | <b>£</b>                       |
|          | <b>Authorised</b>                                         |                 |                                |
|          | 1,000 Ordinary of £1 each                                 | <u>1,000</u>    | <u>1,000</u>                   |
|          | <b>Allotted, called up and fully paid</b>                 |                 |                                |
|          | 2 Ordinary of £1 each                                     | <u>2</u>        | <u>2</u>                       |
| <b>7</b> | <b>Statement of movements on profit and loss account</b>  |                 | <b>Profit and loss account</b> |
|          |                                                           |                 | <b>£</b>                       |
|          | Balance at 1 September 2005                               |                 | (65,588)                       |
|          | Profit for the year                                       |                 | <u>38,117</u>                  |
|          | Balance at 31 August 2006                                 |                 | <u>(27,471)</u>                |
| <b>8</b> | <b>Reconciliation of movements in shareholders' funds</b> | <b>2006</b>     | <b>2005</b>                    |
|          |                                                           | <b>£</b>        | <b>£</b>                       |
|          | Profit/(Loss) for the financial year                      | 38,117          | (5,320)                        |
|          | Opening shareholders' funds                               | <u>(65,587)</u> | <u>(60,267)</u>                |
|          | Closing shareholders' funds                               | <u>(27,469)</u> | <u>(65,587)</u>                |

# **SQUARESTONE MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006**

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### **9 Control**

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

### **10 Related party transactions**

The company has received services from Monteagle Barlow Trust Limited, a company in which T Barlow is a director, in the sum of £53,143 (incl.VAT). The company has also received services from Granton Investments Limited , a company of which R Sloss and T Barlow are directors, in the sum of £1,250.

Sales of £109,930 represent sales to Squarestone Central London Limited Partnership in which T Barlow and R Sloss are involved.

The company also operates an interest free current account with Squarestone Limited, whose directors are T Barlow and R Sloss. At the balance sheet date Squarestone Limited was owed £29,511.