

**REGISTRAR OF  
COMPANIES**

**Longbell Limited**

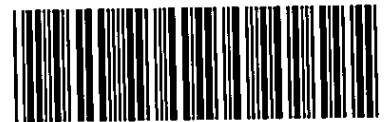
**Report and Financial Statements**

**Year Ended**

**31 March 2007**

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COMPANIES HOUSE



**BDO Stoy Hayward**  
**CHARTERED ACCOUNTANTS**

# **Longbell Limited**

## **Annual report and financial statements for the year ended 31 March 2007**

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Directors

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8	Notes forming part of the financial statements

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### **Directors**

R Gubbay  
T Kremer

### **Secretary and registered office**

P Gubbay, 7 Praed Street, London, W2 1NJ

### **Company number**

3268638

### **Auditors**

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

## **Longbell Limited**

### **Report of the directors for the year ended 31 March 2007**

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The directors present their report together with the audited financial statements for the year ended 31 March 2007

#### **Results**

The profit and loss account is set out on page 5 and shows the profit for the year

#### **Principal activities**

The principal activity of the company is that of property investment. Investments are either held via a trust, in which the company has a beneficial interest but where the trust has legal title to a freehold property, or as a direct shareholding in property investment companies.

#### **Directors**

The directors during the year were

R Gubbay  
T Kremer

#### **Directors' responsibilities**

The directors are responsible for preparing the annual report and 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 year. 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, and
- 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 to 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.

**Longbell Limited**

**Report of the directors for the year ended 31 March 2007 (Continued)**

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**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.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

**By order of the Board**

P Gubbay



**Secretary**

**Date**

30/10/2007

## **Longbell Limited**

### **Report of the independent auditors**

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#### **To the shareholders of Longbell Limited**

We have audited the financial statements of Longbell Limited for the year ended 31 March 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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 judgments 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.

**Longbell Limited**

**Report of the independent auditors (Continued)**

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*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 the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*  
London

Date *30 October 2007*

**Longbell Limited****Profit and loss account for the year ended 31 March 2007**

	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Rental income</b>	<b>2</b>	<b>1,586,430</b>	<b>1,860,412</b>
Property expenses		<b>486,411</b>	<b>375,803</b>
Administrative expenses		<b>688,729</b>	<b>101,912</b>
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	<b>411,290</b>	<b>1,382,697</b>
Profit on disposal of investment property		<b>933,127</b>	<b>1,470,000</b>
Income from fixed asset investments		<b>4,845,937</b>	<b>-</b>
		<hr/>	<hr/>
<b>Profit before interest</b>		<b>6,190,354</b>	<b>2,852,697</b>
Interest receivable		<b>181,028</b>	<b>48,334</b>
Interest payable and similar charges		<b>948,519</b>	<b>1,070,115</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>5,422,863</b>	<b>1,830,916</b>
Taxation on profit from ordinary activities	<b>5</b>	<b>509,246</b>	<b>530,704</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>	<b>14</b>	<b>4,913,617</b>	<b>1,300,212</b>
		<hr/>	<hr/>

All amounts relate to continuing activities

The notes on pages 8 to 15 form part of these financial statements

**Longbell Limited**

**Statement of total recognised gains and losses for the year ended 31 March 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the year	<b>4,913,617</b>	1,300,212
Unrealised surplus on revaluation of property	<b>4,041,271</b>	241,751
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	<b>8,954,888</b>	1,541,963
	<hr/>	<hr/>

The notes on pages 8 to 15 form part of these financial statements



**Longbell Limited****Balance sheet at 31 March 2007**

	Note	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	6		20,304,000		20,563,980
Investments	7		6,390,463		2,800,645
			<u>26,694,463</u>		<u>23,364,625</u>
<b>Current assets</b>					
Debtors	8	3,094,775		1,329,792	
Cash at bank and in hand		<u>588,176</u>		<u>592,928</u>	
		3,682,951		1,922,720	
<b>Creditors: amounts falling due within one year</b>	9	<u>911,707</u>		<u>1,448,840</u>	
<b>Net current assets</b>			<u>2,771,244</u>		<u>473,880</u>
<b>Total assets less current liabilities</b>			<u>29,465,707</u>		<u>23,838,505</u>
<b>Creditors: amounts falling due after more than one year</b>	10		12,025,406		15,386,066
<b>Provisions for liabilities and charges</b>	12		444,760		411,786
			<u>16,995,541</u>		<u>8,040,653</u>
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Revaluation reserve	14		9,351,811		6,740,341
Profit and loss account	14		7,643,630		1,300,212
<b>Shareholders' funds</b>	15		<u>16,995,541</u>		<u>8,040,653</u>

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

The financial statements were approved by the Board and authorised for issue on 30/10/2007

R Gubbay  
Director



The notes on pages 8 to 15 form part of these financial statements

## **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:

### *Rental income*

Rental income excludes VAT and comprises rent receivable. Service charges are credited against the relevant expenditure.

### *Investment properties*

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

### *Investments*

Investments are stated at cost.

### *Foreign currency translation*

Transactions denominated in a foreign currency are translated into the functional currency at the rate of exchange ruling on the date the transactions occurred.

### *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.

### *Leased assets*

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

### *Finance costs*

Finance costs associated with the issue of debt are deducted from the proceeds of the issue and charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

### *Dividends*

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders' at an annual general meeting.

## Longbell Limited

### Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

#### 2 Rental income

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

#### 3 Directors

No remuneration was paid to any of the directors (2006 - £Nil)

#### 4 Operating profit

	2007 £	2006 £
This has been arrived at after charging		
Auditors' remuneration	3,974	3,156
Operating lease rentals	-	567
	<u>          </u>	<u>          </u>

#### 5 Taxation on profit from ordinary activities

	2007 £	2006 £
(1) Analysis of tax charge in year		
<i>Current tax</i>		
UK corporation tax	483,365	501,600
Adjustment in respect of prior years	(3,933)	(13,742)
	<u>          </u>	<u>          </u>
Total current tax	479,432	487,858
<i>Deferred tax</i>		
Origination and reversal of timing differences	29,814	42,846
	<u>          </u>	<u>          </u>
Total tax charge	509,246	530,704
	<u>          </u>	<u>          </u>

**Longbell Limited****Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)****5 Taxation on profit from ordinary activities (Continued)**

	2007 £	2006 £
(ii) Reconciliation of profit to the tax charge for the year		
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 30% (2006 - 30%)	1,626,859	549,275
Expenses not deductible for tax purposes	63,792	4,955
Capital allowances for year in excess of depreciation	(32,783)	(52,630)
Chargeable gains	279,277	-
Dividends received	(1,453,780)	-
Adjustments in respect of prior years	(3,933)	(13,742)
	<hr/>	<hr/>
Current tax charge for year	479,432	487,858
	<hr/>	<hr/>

**6 Tangible assets**

	Freehold investment property £
<i>Valuation</i>	
At 1 April 2006	20,563,980
Disposals	(4,362,798)
Additions	61,547
Revaluation surplus	4,041,271
	<hr/>
At 31 March 2007	20,304,000
	<hr/>

The investment properties were valued by the directors on an open market value basis

Historical cost of the freehold investment property was £10,985,240 (2006 - £13,823,639)

**Longbell Limited****Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)****7 Fixed asset investments**

	<b>Other investments loans £</b>	<b>Share investments £</b>	<b>Total £</b>
<i>Cost and net book value</i>			
At 1 April 2006	1,298,763	1,501,882	2,800,645
Additions	1,428,143	2,161,675	3,589,818
	<hr/>	<hr/>	<hr/>
At 31 March 2007	<b>2,726,908</b>	<b>3,663,557</b>	<b>6,390,463</b>
	<hr/>	<hr/>	<hr/>

The company holds a number of investments in unlisted entities and has also made loans to these entities

**8 Debtors**

	<b>2007 £</b>	<b>2006 £</b>
Amounts recoverable from tenants	88,363	125,672
Other debtors	14,274	94,121
Prepayments and accrued income	36,874	178,170
Amounts due from parent undertaking	2,955,264	931,829
	<hr/>	<hr/>
	<b>3,094,775</b>	<b>1,329,792</b>
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year

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

	<b>2007 £</b>	<b>2006 £</b>
Bank loan (see note 11)	191,221	262,403
Amounts received in advance from tenants	288,722	315,098
Other creditors	73,827	79,444
Accruals and deferred income	181,024	290,295
Corporation tax	176,913	501,600
	<hr/>	<hr/>
	<b>911,707</b>	<b>1,448,840</b>
	<hr/>	<hr/>

**Longbell Limited****Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)****10 Creditors: amounts falling due after more than one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loan (note 11)	<b>12,025,406</b>	15,386,066

**11 Loans**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Not wholly repayable within five years	<b>12,216,627</b>	15,648,469
Less Included in creditors - amounts falling due within one year	<b>(191,221)</b>	(262,403)
	<b>12,025,406</b>	15,386,066

These loans are repayable as follows

By instalments		
In one year	<b>191,221</b>	262,403
Between one and two years	<b>201,452</b>	191,221
Between two and five years	<b>377,326</b>	460,006
Over five years	<b>11,446,628</b>	11,587,767
	<b>12,216,627</b>	12,501,397
Not by instalments - final balance paid 25 January 2007	-	3,147,072
	<b>12,216,627</b>	15,648,469

The loans are secured by first legal charges on the investment properties and fixed and floating charges over all other assets

## Longbell Limited

Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

### 12 Provisions for liabilities and charges

	Promote fees £	Deferred tax £	Total £
At 1 April 2006	9,600	402,186	411,786
Charge for year	3,160	29,814	32,974
	<hr/>	<hr/>	<hr/>
At 31 March 2007	<b>12,760</b>	<b>432,000</b>	<b>444,760</b>
	<hr/>	<hr/>	<hr/>

Deferred tax is provided as follows

	2007 Unprovided £	2007 Provided £	2006 Unprovided £	2006 Provided £
Accelerated capital allowances	-	432,000	-	402,186
Revaluation surplus	2,795,628	-	1,955,585	-
	<hr/>	<hr/>	<hr/>	<hr/>

Promote fees are payable by the company but are dependent on future net asset values of its underlying beneficial interest in assets held in Trusts. The eventual liability to pay promote fees is dependent on the following factors

- i) finalisation of contingent rents
- ii) recoverability of debts
- iii) settlement of future liabilities

### 13 Share capital

	Authorised		Allotted, called up and fully paid	
	2007 £	2006 £	2007 £	2006 £
100 ordinary shares of £1 each	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

## Longbell Limited

### Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

#### 14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 April 2006	6,740,341	1,300,212
Profit for year	-	4,913,617
Realised gain on disposal of investment property	(1,429,801)	1,429,801
Revaluation in the year	4,041,271	-
	<hr/>	<hr/>
At 31 March 2007	<b>9,351,811</b>	<b>7,643,630</b>
	<hr/>	<hr/>

#### 15 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the year	4,913,617	1,300,212
Other recognised gains relating to the year	4,041,271	241,751
	<hr/>	<hr/>
Net increase to shareholders' funds	8,954,888	1,541,963
Opening shareholders' funds	8,040,653	6,498,690
	<hr/>	<hr/>
Closing shareholders' funds	<b>16,995,541</b>	<b>8,040,653</b>
	<hr/>	<hr/>

#### 16 Related party transactions

The company is controlled by Prime Commercial Properties Plc

The company has used the exemption available under Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Prime Commercial Properties Plc



## **Longbell Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2007 *(Continued)***

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#### **17 Cash flow statement**

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is a 'small entity' as defined under Section 247 of the Companies Act 1985

#### **18 Ultimate parent company**

The parent company is Prime Commercial Properties Plc, a company registered in England

Copies of the financial statements of Prime Commercial Properties Plc are available from Companies House