

Registered number 503321

KINGWARD INVESTMENTS LIMITED

Directors' report and financial statements

for the year ended 30 June 2011

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KINGWARD INVESTMENTS LIMITED

Company Information

Directors	D Tannen M Tannen
Company secretary	J M Miller
Company number	503321
Registered office	Sutherland House 70-78 West Hendon Broadway London NW9 7BT
Auditor	BDO LLP 55 Baker Street London W1U 7EU

KINGWARD INVESTMENTS LIMITED

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KINGWARD INVESTMENTS LIMITED

Directors' report for the year ended 30 June 2011

The directors present their report and the financial statements for the year ended 30 June 2011

Results and dividends

The profit for the year, after taxation, amounted to £113,444 (2010 - £116,957)

The directors do not recommend the payment of a dividend (2010 - £50,000)

Principal activities

The principal activity of the company is that of property investment

There have been no events since the balance sheet date which materially affect the position of the company

Directors

The directors who served during the year were

D Tannen
M Tannen

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

KINGWARD INVESTMENTS LIMITED

**Directors' report
for the year ended 30 June 2011**

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

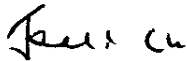
The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing the directors' report advantage has been taken of the small companies exemption under the Companies Act 2006

This report was approved by the board on

30/3/12

and signed on its behalf



J M Miller
Secretary

KINGWARD INVESTMENTS LIMITED

Independent auditor's report to the shareholders of Kingward Investments Limited

We have audited the financial statements of Kingward Investments Limited for the year ended 30 June 2011, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for qualified opinion on financial statements

As explained in note 1, investment properties have been included in the financial statements at cost less any provision for impairment rather than open market value as required by Statement of Standard Accounting Practice No 19 'Accounting for investment properties'. We are unable to quantify the effect, if any, on reserves and tangible fixed assets of this non-compliance with accounting standards.

Except for the failure to include investment properties at open market value in our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

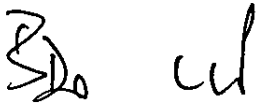
KINGWARD INVESTMENTS LIMITED

Independent auditor's report to the shareholders of Kingward Investments Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Richard Levy (Senior statutory auditor)

for and on behalf of BDO LLP, statutory auditor

London
United Kingdom
Date

30/11/12

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

KINGWARD INVESTMENTS LIMITED

Profit and loss account for the year ended 30 June 2011

	Note	2011 £	2010 £
Rental income	1,2	271,430	312,167
Property expenses		(1,205)	(2,616)
Net rental income		270,225	309,551
Administrative expenses		(75,702)	(110,063)
Operating profit	3	194,523	199,488
Interest payable and similar charges	4	(81,079)	(82,531)
Profit on ordinary activities before taxation		113,444	116,957
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	11	113,444	116,957

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 7 to 10 form part of these financial statements

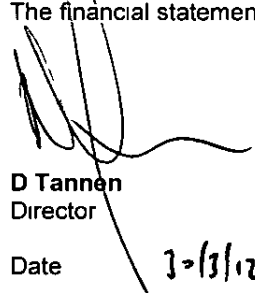
KINGWARD INVESTMENTS LIMITED
Registered number 503321

Balance sheet
as at 30 June 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Investment property	6		1,320,823		1,320,823
Current assets					
Debtors	7	112,813		1,083	
Cash at bank		162,836		35,046	
		<u>275,649</u>		<u>36,129</u>	
Creditors amounts falling due within one year	8	(170,223)		(24,535)	
Net current assets			<u>105,426</u>		<u>11,594</u>
Total assets less current liabilities			<u>1,426,249</u>		<u>1,332,417</u>
Creditors amounts falling due after more than one year	9		(1,005,564)		(1,025,176)
Net assets			<u>420,685</u>		<u>307,241</u>
Capital and reserves					
Called up share capital	10		2		2
Other reserves	11		35,921		35,921
Profit and loss account	11		384,762		271,318
Shareholders' funds	12		<u>420,685</u>		<u>307,241</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


D Tannen
Director

Date 30/3/12

The notes on pages 7 to 10 form part of these financial statements

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements for the year ended 30 June 2011

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and with the exception of investment properties (see below) are in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover represents gross rental income received from the letting of property. Rent reviews are only recognised as income once the review has been settled, agreed and concluded.

1.4 Investment properties

Investment properties are stated in the balance sheet at cost less any provision for impairment. This treatment is not in accordance with Statement of Standard Accounting Practice No 19 which requires such properties to be stated at their open market value. The directors consider the cost of obtaining a valuation would outweigh the benefit to the users of the financial statements.

No provision has been made for depreciation on these properties. 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 2006 has not been quantified because it is impractical and, in the opinion of the directors, would be misleading.

1.5 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.

1.6 Dividends

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

2. Turnover

The whole of the turnover is attributable to rental income.

All turnover arose within the United Kingdom.

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements for the year ended 30 June 2011

Prior year adjustment

In prior years net rental income represented gross rental income net of direct property expenses. In 2011 the profit and loss account has been restated to disclose gross rental income. There is no impact on the net assets or profit after tax for the year or the prior year.

3 Operating profit

During the year, no director received any emoluments (2010 - £NIL)

The directors' emoluments are paid by another group company and disclosed in the financial statements of that company. Auditor's remuneration is also paid by another group company and disclosed in its financial statements.

4 Interest payable

	2011 £	2010 £
On bank loans and overdrafts	81,079	82,531

5. Taxation

	2011 £	2010 £
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the average rate of corporation tax in the UK of 27.5% (2010 - 28%). The differences are explained below.

	2011 £	2010 £
Profit on ordinary activities before tax	113,444	116,957
Profit on ordinary activities multiplied by average rate of corporation tax in the UK of 27.5% (2010 - 28%)	31,197	32,748
Effects of:		
Group relief	(31,197)	(32,748)
Current tax charge for the year (see note above)	-	-

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements for the year ended 30 June 2011

6 Investment property

**Freehold
investment
property
£**

Cost

At 1 July 2010 and 30 June 2011

1,320,823

7. Debtors

	2011 £	2010 £
Other debtors	111,730	-
Prepayments and accrued income	1,083	1,083
	112,813	1,083

8 Creditors

Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	20,000	20,000
Amounts owed to group undertakings	70,000	-
Accruals and deferred income	80,223	4,535
	170,223	24,535

See note below for details of bank loans security

9. Creditors:

Amounts falling due after more than one year

	2011 £	2010 £
Bank loans	1,005,564	1,025,176

Included within the above are amounts falling due as follows

	2011 £	2010 £
Between one and two years		
Bank loans	1,005,564	22,000
Between two and five years		
Bank loans	-	1,003,176

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements for the year ended 30 June 2011

9 Creditors

Amounts falling due after more than one year (continued)

The bank loan is secured by way of a fixed charge over the freehold investment property of the company, by a floating charge over all other assets of the company and by a limited guarantee given by the parent company. Interest is fixed at the rate of 7.81% per annum until expiry in June 2013.

10. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

11. Reserves

	Other reserves £	Profit and loss account £
At 1 July 2010	35,921	271,318
Profit for the year	-	113,444
At 30 June 2011	35,921	384,762

12 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	307,241	240,284
Profit for the year	113,444	116,957
Dividends	-	(50,000)
Closing shareholders' funds	420,685	307,241

13 Ultimate parent undertaking and controlling party

The company's ultimate parent company is The Tannen Group Limited which is controlled by the Tannen family. Group accounts can be obtained from the Registrar of Companies.

14 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities in which 100% of the voting rights are controlled within The Tannen Group Limited group.