

REGISTERED NUMBER: 04737310 (England and Wales)

**Report of the Directors and
Financial Statements
for the Year Ended 31 March 2008
for
Kerion Properties Limited**

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Kerion Properties Limited

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for the Year Ended 31 March 2008**

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Kerion Properties Limited

**Company Information
for the Year Ended 31 March 2008**

DIRECTORS:

Mrs A Mehra
Z Zi pear

SECRETARY:

Mrs A Mehra

REGISTERED OFFICE:

C/o Parker Cavendish
28 Church Road
Stanmore
Middlesex
HA7 4XR

REGISTERED NUMBER:

04737310 (England and Wales)

AUDITORS:

Parker Cavendish
Chartered Accountants
Registered Auditor
28 Church Road
Stanmore
Middlesex
HA7 4XR

Kerion Properties Limited

Report of the Directors for the Year Ended 31 March 2008

The directors present their report with the financial statements of the company for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment, dealing and letting.

DIRECTORS

Mrs A Mehra has held office during the whole of the period from 1 April 2007 to the date of this report.

Other changes in directors holding office are as follows:

P Koo - resigned 4 July 2007

Z Zi pear was appointed as a director after 31 March 2008 but prior to the date of this report.

V Mehra ceased to be a director after 31 March 2008 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The Auditors, Parker Cavendish, are deemed to be reappointed in accordance with s.386 of the Companies Act 1985 by virtue of an elective resolution passed by the members.

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:



Mrs A Mehra - Director

30 March 2009

Report of the Independent Auditors to the Shareholders of Kerion Properties Limited

We have audited the financial statements of Kerion Properties Limited for the year ended 31 March 2008 on pages five to eleven. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 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. However, the evidence available to us was limited, because the company was not subject to an audit for the year ended 31 March 2007, and no audit opinion was formed on the opening balances for the current year or on the comparative figures.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note fourteen to the financial statements.

**Report of the Independent Auditors to the Shareholders of
Kerion Properties Limited**

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence in respect of the opening balance sheet, in our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985. In respect alone of the limitation on our work relating to opening balances, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.



Parker Cavendish
Chartered Accountants
Registered Auditor
28 Church Road
Stanmore
Middlesex
HA7 4XR

30 March 2009

Kerion Properties Limited**Profit and Loss Account
for the Year Ended 31 March 2008**

	Notes	2008 £	2007 £
TURNOVER	2	173,430	168,753
Administrative expenses		<u>(41,046)</u>	<u>(44,634)</u>
OPERATING PROFIT	3	132,384	124,119
Interest receivable and similar income		<u>13,891</u>	<u>5,432</u>
		146,275	129,551
Interest payable and similar charges		<u>(127,921)</u>	<u>(104,074)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18,354	25,477
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>18,354</u>	<u>25,477</u>

The notes form part of these financial statements

Kerion Properties Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2008**

	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR	18,354	25,477
Revaluation of investment property	<u>650,000</u>	<u>786,504</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>668,354</u></u>	<u><u>811,981</u></u>

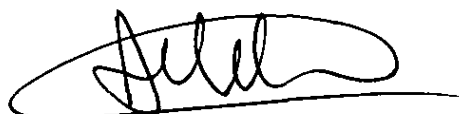
The notes form part of these financial statements

Kerion Properties Limited**Balance Sheet
31 March 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Investment property	5	3,100,000	2,450,000
CURRENT ASSETS			
Debtors	6	414,942	57,321
Cash at bank		289,134	199,592
		<u>704,076</u>	<u>256,913</u>
CREDITORS			
Amounts falling due within one year	7	(51,361)	(177,551)
NET CURRENT ASSETS		<u>652,715</u>	<u>79,362</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,752,715</u>	<u>2,529,362</u>
CREDITORS			
Amounts falling due after more than one year	8	(2,205,000)	(1,650,000)
NET ASSETS		<u><u>1,547,715</u></u>	<u><u>879,362</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	300	300
Revaluation reserve	11	1,496,055	846,056
Profit and loss account	11	51,360	33,006
SHAREHOLDERS' FUNDS		<u><u>1,547,715</u></u>	<u><u>879,362</u></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 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 30 March 2009 and were signed on its behalf by:



Mrs A Mehra - Director

The notes form part of these financial statements

Kerion Properties Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover represents rents receivable in the year.

Investment property

The freehold investment property is stated at market value and any surplus or deficit arising on the revaluation of the property is transferred to a revaluation reserve. No depreciation is provided in respect of the property. This is a departure from the requirement of the Companies Act 1985 which requires all properties to be depreciated. This property is not held for consumption but for investment and the directors consider that to depreciate the property would not give a true and fair view.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

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

2. TURNOVER

In the year to 31 March 2008, 100% of the company's turnover was derived from markets within the United Kingdom (2007 : 100%).

3. OPERATING PROFIT

The operating profit is stated after charging:

	2008	2007
	£	£
Auditors' remuneration	3,163	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2008 nor for the year ended 31 March 2007.

Kerion Properties Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2008**

5. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 April 2007	2,450,000
Revaluations	650,000
	<u>3,100,000</u>
At 31 March 2008	<u>3,100,000</u>
NET BOOK VALUE	
At 31 March 2008	<u>3,100,000</u>
At 31 March 2007	<u>2,450,000</u>

The investment property was valued at £3,350,000 in August 2007 by King Sturge LLP. In the directors' opinion, the value of the property at the year end was £3,100,000.

Cost or valuation at 31 March 2008 is represented by:

	£
Valuation in 2005	59,552
Valuation in 2007	786,504
Valuation in 2008	650,000
Cost	1,603,944
	<u>3,100,000</u>

If freehold investment property had not been revalued it would have been included at the following historical cost:

	2008 £	2007 £
Cost	1,603,944	1,603,944

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade debtors	2,127	7,174
Other debtors	410,858	50,000
Prepayments and accrued income	1,957	147
	<u>414,942</u>	<u>57,321</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	7,241	17,023
Other creditors	18,341	141,627
Accruals and deferred income	25,779	18,901
	<u>51,361</u>	<u>177,551</u>

Kerion Properties Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2008

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Bank loans - 2-5 years	2,205,000	311,667
Bank loans repayable in five years or more	-	1,338,333
	<u>2,205,000</u>	<u>1,650,000</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans repayable in five years or more	-	1,338,333
	<u>-</u>	<u>1,338,333</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2008 £	2007 £
Bank loans	<u>2,205,000</u>	<u>1,650,000</u>

The bank loan is secured by a charge over the company's investment property.

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2008 £	2007 £
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008 £	2007 £
300	Ordinary	1	<u>300</u>	<u>300</u>

11. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2007	33,006	846,055	879,061
Profit for the year	18,354		18,354
Revaluation in year	-	650,000	650,000
At 31 March 2008	<u>51,360</u>	<u>1,496,055</u>	<u>1,547,415</u>

Kerion Properties Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2008

12. TRANSACTIONS WITH DIRECTORS

During the year the company paid agents commission of £14,509 (2007: £26,164) to B & R Residential Lettings Limited, a company in which Mrs A Mehra is a director and controlling shareholder.

Included within other debtors are the following:

An amount of £125,000 (2007: nil) due from V S Properties Limited and an amount of £20,858 (2007: creditor £123,356) due from Upgrade Investments Limited, companies which have common shareholders and in which Mr V Mehra and Mrs A Mehra are directors.

An amount of £20,000 (2007: nil) due from In Style Direct Limited, a company controlled by Mrs A Mehra and in which both Mrs A Mehra and Mr V Mehra are directors.

An amount of £230,000 (2007: £50,000) due from Marchent Limited, a company which has common shareholders and in which Mrs A Mehra is a director.

An amount of £15,000 (2007: nil) due from York Apartments Limited, a company which has common shareholders and in which Mr V Mehra is a director.

13. RELATED PARTY DISCLOSURES

Included within other creditors is a loan of £nil (2007: £12,470) from R Kumar, a shareholder of the company.

14. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

15. ULTIMATE CONTROLLING PARTY

Prior to 4 July 2007 the company was controlled by Mr R Kumar, Mr Z Zi-Pear and Vatican Limited, of which Mr P Koo is a shareholder. From 4 July 2007 the company is controlled by Mr R Kumar and Mr Z Zi-Pear.