

COMPANY REGISTRATION NUMBER 1241065

**SPIRITVILLE INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**30 JUNE 2012**



**COHEN ARNOLD**  
Chartered Accountants & Statutory Auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

**SPIRITVILLE INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2012**

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**SPIRITVILLE INVESTMENTS LIMITED**  
**COMPANY INFORMATION**

**The board of directors**

Mr Leslie Frankel  
Mrs Zisi Frankel

**Company secretary**

Mrs Zisi Frankel

**Registered office**

New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

**Auditor**

Cohen Arnold  
Chartered Accountants  
& Statutory Auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

# **SPIRITVILLE INVESTMENTS LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 JUNE 2012**

The directors have pleasure in presenting their report and the Financial Statements of the company for the year ended 30 June 2012

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is property investment which has remained unchanged during the year and no change is envisaged in the immediate future

### **RESULTS AND DIVIDEND**

The financial results of the company's activities for the year ended 30 June 2012 are fully reflected in the attached financial statements together with the notes thereon

The directors do not recommend the payment of a dividend for the year under review.

### **LAND AND BUILDINGS**

The Company's investment properties are included in the financial statements at historical cost

The directors are of the opinion that the open market value of the company's investment properties are at least equal to the amount at which it is included in the financial statements

### **DIRECTORS**

The directors who served the company during the year were as follows:

Mr Leslie Frankel

Mrs Zisi Frankel

The Articles of Association do not require Directors to retire by rotation. No Director has any beneficial interest in the share capital of the Company

### **DIRECTORS' RESPONSIBILITIES**

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 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 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

**SPIRITVILLE INVESTMENTS LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 30 JUNE 2012**

In so far as the directors are aware.

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**DONATIONS**

During the year the company made the following contributions

	2012 £	2011 £
Charitable donations	<u>£699,000</u>	<u>£446,000</u>

Donations were made to the parent company

**AUDITOR**

Cohen Arnold are deemed to be re-appointed under section 487(2) of the Companies Act 2006

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the directors



MRS ZISL FRANKEL  
Company Secretary

Approved by the directors on .. 18.3.2013

**SPIRITVILLE INVESTMENTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**SPIRITVILLE INVESTMENTS LIMITED**  
**YEAR ENDED 30 JUNE 2012**

We have audited the Financial Statements of Spiritville Investments Limited for the year ended 30 June 2012. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on pages 2 to 3, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS**

The company's investment properties are included in the financial statements on the basis indicated in Note 1 on the accounting policies. This does not comply with the requirements of Financial Reporting Standard for Smaller Entities which requires such properties to be stated at their open market value. However, as stated in their report, the directors are of the opinion that each of the company's investment properties has an open market value which exceeds the current Net Book Value.

**QUALIFIED OPINION ON FINANCIAL STATEMENTS**

In our opinion, except for non-compliance referred to in the Basis for Qualified Opinion paragraph, the effect of which we are unable to quantify, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**SPIRITVILLE INVESTMENTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**SPIRITVILLE INVESTMENTS LIMITED** *(continued)*  
**YEAR ENDED 30 JUNE 2012**

**OPINION ON OTHER MATTERS 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

**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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



DOV HARRIS (Senior Statutory  
Auditor)  
For and on behalf of  
COHEN ARNOLD  
Chartered Accountants  
& Statutory Auditor

New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

18-3-2013

**SPIRITVILLE INVESTMENTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
<b>TURNOVER</b>	2	893,809	829,094
Property Expenses		<u>100,303</u>	<u>101,589</u>
<b>GROSS PROFIT</b>		<u>793,506</u>	<u>727,505</u>
Administrative Expenses		<u>707,457</u>	<u>455,834</u>
<b>OPERATING PROFIT</b>	3	86,049	271,671
Profit on disposal of fixed assets		<u>103,600</u>	<u>32,500</u>
		<u>189,649</u>	<u>304,171</u>
Interest Receivable and Similar Income		199,770	96,036
Interest Payable and Similar Charges		<u>(388,586)</u>	<u>(400,028)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>833</u>	<u>179</u>
Tax on Profit on Ordinary Activities		37	65
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>£796</u></u>	<u><u>£114</u></u>

The notes on pages 8 to 10 form part of these Financial Statements.



**SPIRITVILLE INVESTMENTS LIMITED**

**BALANCE SHEET**

**30 JUNE 2012**

	Note	2012 £	£	2011 £	£
<b>FIXED ASSETS</b>					
Tangible Assets	4		3,044,842		3,044,842
<b>CURRENT ASSETS</b>					
Debtors	5	4,989,027		3,123,895	
Cash at Bank		<u>184,046</u>		<u>1,886,238</u>	
		5,173,073		5,010,133	
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>879,677</u>		<u>626,650</u>	
<b>NET CURRENT ASSETS</b>			<u>4,293,396</u>		<u>4,383,483</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,338,238</u>		<u>7,428,325</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	7		<u>5,996,896</u>		<u>6,087,779</u>
			<u><b>£1,341,342</b></u>		<u><b>£1,340,546</b></u>
<b>CAPITAL AND RESERVES</b>					
Called-Up Equity Share Capital	9		100		100
Profit and Loss Account	10		<u>1,341,242</u>		<u>1,340,446</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>£1,341,342</b></u>		<u><b>£1,340,546</b></u>

These Financial Statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These Financial Statements were approved by the directors and authorised for issue on 18-3-2013, and are signed on their behalf by.

  
**MR LESLIE FRANKEL**

Director

Company Registration Number 1241065

The notes on pages 8 to 10 form part of these Financial Statements.

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2012**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The Financial Statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), subject to the departures referred to below.

**Turnover**

The turnover of the company is represented by rent and charges receivable in respect of properties held for investment purposes

**Depreciation**

In accordance with Financial Reporting Standard for Smaller Entities, no depreciation or amortisation is provided in respect of freehold investment properties nor on leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 2006, for all properties to be depreciated, is necessary, as the directors consider that this accounting policy results in the financial statements giving a true and fair view.

**Investment properties**

Investment properties are included in the financial statements at historical cost, which is not in accordance with Financial Reporting Standard for Smaller Entities, which requires such properties to be stated at their open market value

**Acquisitions and disposals of properties**

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. TURNOVER**

The turnover of the company is represented by rents and charges receivable in respect of properties held for investment purposes

The net rental income is comprised as follows

	2012 £	2011 £
Rents and charges receivable	893,809	829,094
Property outgoings	(100,303)	(101,589)
Net rental income	<u>793,506</u>	<u>727,505</u>

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2012**

**3. OPERATING PROFIT**

Operating profit is stated after charging

	2012 £	2011 £
Auditor's fees	<u>6,000</u>	<u>6,000</u>

**4. TANGIBLE FIXED ASSETS**

	Freehold Property £
<b>COST</b>	
At 1 July 2011 and 30 June 2012	<u>3,044,842</u>
<b>NET BOOK VALUE</b>	
At 30 June 2012	<u>3,044,842</u>
At 30 June 2011	<u>3,044,842</u>

**5. DEBTORS**

	2012 £	2011 £
Trade debtors	33,670	28,916
Amounts owed by group undertakings	643,659	1,693,659
Other debtors	<u>4,311,698</u>	<u>1,401,320</u>
	<u>4,989,027</u>	<u>3,123,895</u>

Included in other debtors is an amount due from Bitochon Limited of £1,200,000 (2011 £1,200,000) Mr Leslie Frankel and Mrs Zisi Frankel, directors of Bitochon Limited are also directors of this company The loan is repayable on demand and bears interest at 8% per annum

Other debtors also include an amount due from Maida Vale Investments Limited of £2,719,037, a company in which Mr Leslie Frankel and Mrs Zisi Frankel are directors The loan secured on property, bears interest at 7% per annum and is repayable after more than one year

**6. CREDITORS: Amounts falling due within one year**

	2012 £	2011 £
Bank loans	90,883	85,435
Other creditors	<u>788,794</u>	<u>541,215</u>
	<u>879,677</u>	<u>626,650</u>

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2012**

**7. CREDITORS: Amounts falling due after more than one year**

	2012	2011
	£	£
Bank loans and overdrafts	<u>5,996,896</u>	<u>6,087,779</u>

The mortgages are secured by fixed charges over properties of the company with a book value of £2,980,441.

Included within creditors falling due after more than one year is an amount of £4,433,364 (2011 - £4,546,039) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

**8. RELATED PARTY TRANSACTIONS**

Charitable donations in the sum of £699,000 (2011 £446,000) were paid to the parent company Frankgiving Limited, a registered charity in the United Kingdom. The directors of this company are also trustees of the Charity.

**9. SHARE CAPITAL**

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**10. PROFIT AND LOSS ACCOUNT**

	2012	2011
	£	£
Balance brought forward	1,340,446	1,340,332
Profit for the financial year	796	114
Balance carried forward	<u>1,341,242</u>	<u>1,340,446</u>

**11. PARENT COMPANY AND CONTROLLING PARTY**

The parent company and controlling party is Frankgiving Limited, a registered charity company incorporated and operating in England.