

COMPANY REGISTRATION NUMBER 470283

BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2012



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

BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account	13
Notes to the detailed profit and loss account	14

BASTION PRODUCTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr B S E Freshwater Mr D Davis
Company secretary	Mr M R M Jenner F C I S
Registered office	Freshwater House 158-162 Shaftesbury Avenue London WC2H 8HR
Auditor	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road London NW11 0PU

BASTION PRODUCTS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The financial results of the company's activities for the year ended 31st March 2012 are fully reflected in the attached financial statements together with the notes thereon.

PROPERTIES

The company's trading portfolio was professionally valued by the company's valuers, Colliers International, at 31 March 2012 on the basis of open market value. The surplus over book value of £1,624,665 has not been incorporated into the financial statements. Had this surplus been incorporated into the financial statements the company would have had a net asset position of £1,411,000

DIRECTORS

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

Mr B S E Freshwater
Mr D Davis

The Articles of Association do not require the directors to retire by rotation

The directors do not have service contracts nor do they receive any emoluments from the company

DIRECTORS' INTERESTS

The whole of the issued share capital of the company is owned by The Raphael Freshwater Memorial Association Limited, a company registered in Great Britain and incorporated in England for charitable purposes. Mr B S E Freshwater and Mr D Davis are governors of the parent undertaking but do not have any interest in the share capital of the company, the parent undertaking, or any direct or indirect subsidiary of the parent undertaking

Management services are provided by Highdorn Co Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a director of Highdorn Co Limited and has a non-beneficial interest therein. Mr B S E Freshwater is also a director of Freshwater Property Management Limited and both he and Mr D Davis are governors of its parent undertaking Mayfair Charities Limited but have no beneficial interest in either 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,

BASTION PRODUCTS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MARCH 2012

- 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.

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.

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.

Registered office
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

Signed by order of the directors



MR M R M JENNER F.C.I.S.
Company Secretary

Approved by the directors on 28th January 2013

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BASTION PRODUCTS LIMITED
YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Bastion Products Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss 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.

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.

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BASTION PRODUCTS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2012

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



JOSHUA NEUMANN (Senior Statutory Auditor)

For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

28th January 2013

BASTION PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
TURNOVER	2	144,700	112,934
Cost of Sales		<u>(129,556)</u>	<u>(69,138)</u>
GROSS PROFIT		15,144	43,796
Administrative Expenses		<u>(9,947)</u>	<u>(9,553)</u>
OPERATING PROFIT	3	5,197	34,243
Interest Receivable		252	242
Interest Payable and Similar Charges	4	<u>(49,551)</u>	<u>(49,943)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(44,102)	(15,458)
Tax on Loss on Ordinary Activities	5	5,000	10,000
LOSS FOR THE FINANCIAL YEAR		(39,102)	(5,458)
Balance Brought Forward		<u>(174,678)</u>	<u>(169,220)</u>
Balance Carried Forward		<u>(213,780)</u>	<u>(174,678)</u>

The notes on pages 8 to 11 form part of these financial statements

BASTION PRODUCTS LIMITED

BALANCE SHEET

31 MARCH 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Investments	6		200		200
CURRENT ASSETS					
Stocks		41,855		41,855	
Debtors	7	1,750,575		1,496,035	
Cash at Bank		19,214		—	
		<u>1,811,644</u>		<u>1,537,890</u>	
CREDITORS: Amounts falling due within one year	8	<u>2,025,524</u>		<u>1,712,668</u>	
NET CURRENT LIABILITIES			<u>(213,880)</u>		<u>(174,778)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(213,680)</u>		<u>(174,578)</u>
CAPITAL AND RESERVES					
Called-Up Equity Share Capital	10		100		100
Profit and Loss Account			<u>(213,780)</u>		<u>(174,678)</u>
DEFICIT			<u>(213,680)</u>		<u>(174,578)</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 28th January 2013 and are signed on their behalf by



MR B S E FRESHWATER

Director

Company Registration Number 470283

The notes on pages 8 to 11 form part of these financial statements

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 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)

Although there is a deficiency of net assets in the company's financial statements as at 31 March 2012, the directors consider the underlying value of properties held for trading, included in the balance sheet at cost, would in the event of disposal result in a surplus in excess of the deficit as at the balance sheet date

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

Stocks

Stocks comprise leasehold and freehold properties held for trading and are valued at lower of cost and net realisable value

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

Current tax

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions

2. TURNOVER

The turnover of the company is derived from its properties held for trading purposes. The gross profit is comprised as follows

	2012 £	2011 £
Rents and charges receivable	144,700	112,934
Property outgoings	(129,556)	(69,138)
Gross profit	<u>15,144</u>	<u>43,796</u>

3. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Auditor's fees	<u>9,912</u>	<u>9,518</u>

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Other interest and similar charges	<u>49,551</u>	<u>49,943</u>
Interest paid to group undertakings amounted to £49,000 (2011 - £49,000)		

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
Consideration payable/(receivable) for group relief - current year	<u>(5,000)</u>	<u>(10,000)</u>
Total current tax	<u>(5,000)</u>	<u>(10,000)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2011 - 28%)

	2012 £	2011 £
Loss on ordinary activities before taxation	<u>(44,102)</u>	<u>(15,458)</u>
Loss on ordinary activities by rate of tax	(11,467)	(4,328)
Utilisation of tax losses brought forward	-	(5,944)
Disallowed expenses	6,836	-
Other differences	<u>(369)</u>	<u>272</u>
Total current tax (note 5(a))	<u>(5,000)</u>	<u>(10,000)</u>

6. INVESTMENTS

SHARES IN SUBSIDIARY UNDERTAKINGS

	£
COST	
At 1 April 2011 and 31 March 2012	<u>4,802</u>
AMOUNTS WRITTEN OFF	
At 1 April 2011 and 31 March 2012	<u>4,602</u>
NET BOOK VALUE	
At 31 March 2012 and 31 March 2011	<u>200</u>

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

6. INVESTMENTS *(continued)*

The company holds the whole of the issued share capital in Brigade Properties Limited and Kayville Properties Limited, both of which are incorporated in the UK, and in Delbast Corporation which is incorporated in the USA

The financial statements of the UK subsidiaries are made up to 31 March each year. The capital and reserves and profit and (loss) for the year ended 31 March 2012 are as follows

	2012 £	2011 £
Aggregate capital and reserves		
Brigade Properties Limited	<u>455,931</u>	434,674
Kayville Properties Limited	<u>(67,750)</u>	<u>(64,089)</u>
Profit and (loss) for the year		
Brigade Properties Limited	<u>21,257</u>	19,703
Kayville Properties Limited	<u>(3,661)</u>	<u>12,299</u>

The Financial Statements of Delbast Corporation, the USA subsidiary, are made up to 31 December each year and at 31 December 2011 they disclose capital and reserves of £226,000 (U S Dollars 363,000)

The company is exempt by virtue of section 398 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of The Raphael Freshwater Memorial Association Limited, a company incorporated in the United Kingdom and registered in England and Wales, which prepares group financial statements

7. DEBTORS

	2012 £	2011 £
Trade debtors	241,335	32,912
Amounts owed by group undertakings	307,600	307,600
Other debtors	1,196,640	1,145,523
Consideration receivable for group relief	5,000	10,000
	<u>1,750,575</u>	<u>1,496,035</u>

Other debtors include £793,568 (2011 - £757,674) due from Freshwater Property Management Limited (note 11), and £320,077 (2011 - £320,077) due from the estates of a former director and his wife. All amounts are interest free and effectively repayable on demand.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

8. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Overdrafts	—	67,851
Trade creditors	234,990	14,531
Amounts owed to group undertakings	1,572,109	1,532,109
Other creditors		
Other creditors and accruals	218,425	98,177
	<u>2,025,524</u>	<u>1,712,668</u>

Other creditors and accruals include £185,022 (2011 - £69,950) due to Highdorn Co Limited (note 11)

9. RELATED PARTY TRANSACTIONS

No transactions with related parties other than those detailed in the financial statements were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective April 2008)

10. 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>

11. DIRECTORS' INTEREST IN CONTRACTS

Management services are provided by Highdorn Co Limited and Freshwater Property Management Limited, both of which are members of the Freshwater Group of Companies with which this company is closely associated Mr B S E Freshwater is a director of both companies and has a non-beneficial interest in the share capital of Highdorn Co Limited

The amounts payable for the provision of a full range of management services charged at normal commercial rates were -

	2012	2011
	£	£
Freshwater Property Management Limited	<u>3,282</u>	<u>3,245</u>

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by its parent undertaking, The Raphael Freshwater Memorial Association Limited, a company incorporated in England for charitable purposes The Raphael Freshwater Memorial Association Limited does not have a controlling party