

**BASTION PRODUCTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE**  
**YEAR ENDED 31 MARCH 2009**



**COMPANY REGISTRATION NUMBER 470283**

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

**BASTION PRODUCTS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

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**BASTION PRODUCTS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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

# **BASTION PRODUCTS LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2009**

The directors present their report and the financial statements of the company for the year ended 31 March 2009.

#### **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 2009 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 CRE, at 31 March 2007 on the basis of open market value and, at that time, it had a surplus over book value of £1,646,945 which was not incorporated into the financial statements. Had this surplus been incorporated into the financial statements the company would have had a net asset position of approximately £1,484,000. Despite the economic downturn, the directors are satisfied that at 31 March 2009 properties held for trading still have a value considerably in excess of their book value.

#### **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, subsidiaries or any subsidiary of the parent undertaking.

Day to day management of the company is carried out by Highdorn Co. Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a director of both companies and also has a non-beneficial interest in the share capital of Highdorn Co. Limited. Mr B S E Freshwater and Mr D Davis are also governors of the parent undertaking of Freshwater Property Management Limited but have no beneficial interest in either company.

**BASTION PRODUCTS LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 MARCH 2009**

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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). 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 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 proper accounting records that 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 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.

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.

**BASTION PRODUCTS LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 MARCH 2009**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

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

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'MR M R M JENNER', followed by a long horizontal line.

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

Approved by the directors on *19 January 2010*.

**BASTION PRODUCTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**BASTION PRODUCTS LIMITED**  
**YEAR ENDED 31 MARCH 2009**

We have audited the financial statements of Bastion Products Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 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**

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report 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 Directors' Report 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. 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 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.

**BASTION PRODUCTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**BASTION PRODUCTS LIMITED** *(continued)*  
**YEAR ENDED 31 MARCH 2009**

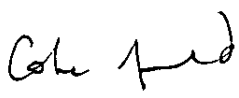
**OPINION**

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 2009 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.

New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

*19 January 2010 .*

  
COHEN ARNOLD  
Chartered Accountants  
& Registered Auditor



**BASTION PRODUCTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2009**

	Note	2009 £	2008 £
Surplus on Sale of Properties	2	—	45,000
Net Rental Income	2	84,935	(6,482)
Administrative Expenses		<u>(8,237)</u>	<u>(8,174)</u>
<b>OPERATING PROFIT</b>	3	<b>76,698</b>	<b>30,344</b>
Interest Receivable		657	315
Interest Payable and Similar Charges	4	<u>(49,787)</u>	<u>(52,546)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>27,568</b>	<b>(21,887)</b>
Tax on Profit/(Loss) on Ordinary Activities	5	<u>(8,000)</u>	<u>1,500</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>19,568</b>	<b>(20,387)</b>
Balance Brought Forward		<u>(182,306)</u>	<u>(161,919)</u>
Balance Carried Forward		<u><u>(162,738)</u></u>	<u><u>(182,306)</u></u>

The notes on pages 9 to 13 form part of these financial statements.

# BASTION PRODUCTS LIMITED

## BALANCE SHEET

31 MARCH 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Investments	6	200	200
<b>CURRENT ASSETS</b>			
Stocks		41,855	41,855
Debtors	7	1,400,116	1,614,652
		<u>1,441,971</u>	<u>1,656,507</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>1,604,809</u>	<u>1,838,913</u>
<b>NET CURRENT LIABILITIES</b>		<u>(162,838)</u>	<u>(182,406)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(162,638)</u>	<u>(182,206)</u>
<b>CAPITAL AND RESERVES</b>			
Called-Up Equity Share Capital	10	100	100
Profit and Loss Account		<u>(162,738)</u>	<u>(182,306)</u>
<b>DEFICIT</b>		<u>(162,638)</u>	<u>(182,206)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 19 January, 2010, and are signed on their behalf by:

  
**MR B S E FRESHWATER**  
Director

Company Registration Number: 470283

The notes on pages 9 to 13 form part of these financial statements.

**BASTION PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

**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 January 2007).

**Related party transactions**

The company has taken advantage of the exemptions in Financial Reporting Standard No. 8 "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other companies in The Raphael Freshwater Memorial Association Limited group.

**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.

**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.

**Format of the financial statements**

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the directors consider to be appropriate having regard to the nature of the company's activities.

**2. TURNOVER**

The turnover of the company is derived from its properties held for trading purposes. The surplus on sale of properties relates to the proceeds from lease extensions. The net rental income is comprised as follows:

	2009	2008
	£	£
Rents and charges receivable	285,866	130,922
Property outgoings	(200,931)	(137,404)
	<u>84,935</u>	<u>(6,482)</u>

**BASTION PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	2009 £	2008 £
Auditor's fees	<u>8,232</u>	<u>8,109</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009 £	2008 £
Other interest and similar charges	<u>49,787</u>	<u>52,546</u>

Interest paid to group undertakings amounted to £49,000 (2008 - £49,000).

**5. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2009 £	2008 £
Current tax:		
Consideration receivable for group relief - prior year	-	5,500
Consideration payable/(receivable) for group relief - current year	<u>8,000</u>	<u>(7,000)</u>
Total current tax	<u>8,000</u>	<u>(1,500)</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2009 £	2008 £
Profit/(loss) on ordinary activities before taxation	<u>27,568</u>	<u>(21,887)</u>
Profit/(loss) on ordinary activities by rate of tax	7,719	(6,566)
Land remediation relief	-	(150)
Adjustments in respect of prior year	-	5,500
Other differences	<u>281</u>	<u>(284)</u>
Total current tax (note 5(a))	<u>8,000</u>	<u>(1,500)</u>

**BASTION PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

**6. INVESTMENTS**

**SHARES IN SUBSIDIARY UNDERTAKINGS**

	£
<b>COST</b>	
At 1 April 2008 and 31 March 2009	<u>4,802</u>
<b>AMOUNTS WRITTEN OFF</b>	
At 1 April 2008 and 31 March 2009	<u>4,602</u>
<b>NET BOOK VALUE</b>	
At 31 March 2009 and 31 March 2008	<u>200</u>

The company holds the whole of the issued share capital in the undermentioned companies, all of which are incorporated in England unless otherwise stated:

**Property Trading Companies**

Brigade Properties Limited  
Kayville Properties Limited

**Dormant Company**

Delbast Corporation (incorporated in  
the United States of America)

The company is exempt by virtue of section 228 of Companies Act 1985 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**

	2009 £	2008 £
Trade debtors	49,341	18,526
Amounts owed by group undertakings	307,600	331,600
Other debtors	1,043,175	1,257,526
Consideration receivable for group relief	—	7,000
	<u>1,400,116</u>	<u>1,614,652</u>

Other debtors include £652,723 (2008 - £695,458) due from Freshwater Property Management Limited (note 12), and £320,077 (2008 - £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 2009**

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

	2009		2008
	£	£	£
Overdrafts		50,379	67,622
Trade creditors		6,318	139,477
Amounts owed to group undertakings		1,428,109	1,334,109
Other creditors:			
Consideration payable for group relief	8,000		—
Other creditors and accruals	<u>112,003</u>		<u>297,705</u>
		<u>120,003</u>	<u>297,705</u>
		<u>1,604,809</u>	<u>1,838,913</u>

Other creditors and accruals include £10,970 (2008 - £10,970) due to Freshwater Property Management Limited and £25,015 (2008 - £197,314) due to Highdorn Co. Limited (note 12).

**9. RELATED PARTY TRANSACTIONS**

No transactions with related parties other than those detailed above were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective January 2007).

**10. SHARE CAPITAL**

**Authorised share capital:**

	2009	2008
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Allotted, called up and fully paid:**

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100

**11. DEFICIENCY IN NET ASSETS**

Although there is a deficiency of net assets in the company's financial statements as at 31st March 2009, 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.

**BASTION PRODUCTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

**12. DIRECTORS' INTEREST IN CONTRACTS**

Day-to-day management of the company is carried out 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:-

	2009 £	2008 £
Freshwater Property Management Limited	<u>3,245</u>	<u>16,080</u>

**13. 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.