

BAYFORDBURY ESTATES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008**

WEDNESDAY



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BAYFORDBURY ESTATES LIMITED

COMPANY INFORMATION

DIRECTORS

J. A. Barham
R. M. Allen
Mrs C. M. Barham
P. D. Barham

COMPANY SECRETARY

A. J. Barham

COMPANY NUMBER

02673516

REGISTERED OFFICE

233-237 Old Marylebone Road
London
NW1 5QT

AUDITORS

Wilder Coe
Chartered Accountants
233-237 Old Marylebone Road
London
NW1 5QT

BAYFORDBURY ESTATES LIMITED

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BAYFORDBURY ESTATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2008

The directors present their report and the audited financial statements for the year ended 31 October 2008.

STATEMENT OF 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 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;
- 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.

PROVISION OF INFORMATION TO AUDITORS

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 auditors are 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company's principal activity during the year continued to be that of property development.

The directors note the performance of the company during the year and will continue to seek new property developments in the forthcoming year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £204,238 (2007 - loss £318,413).

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year were:

J. A. Barham
R. M. Allen
Mrs C. M. Barham
P. D. Barham

BAYFORDBURY ESTATES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2008**

CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £nil (2007: £3,000).

AUDITORS

The auditors, Wilder Coe, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 7 AUGUST 2009 and signed on its behalf.



.....
J. A. Barham
Director

BAYFORDBURY ESTATES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAYFORDBURY ESTATES LIMITED

We have audited the financial statements of Bayfordbury Estates Limited for the year ended 31 October 2008, set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 Annual Report and 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 judgments 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.

BAYFORDBURY ESTATES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAYFORDBURY ESTATES LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2008 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.

Wilder Coe

Wilder Coe

Chartered Accountants and Registered Auditors

233-237 Old Marylebone Road

London

NW1 5QT

Date:

17 August 2009

BAYFORDBURY ESTATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2008

	Note	2008 £	2007 £
TURNOVER	1,2	2,777,595	-
Cost of sales		<u>(2,034,323)</u>	<u>-</u>
GROSS PROFIT		743,272	-
Administrative expenses		<u>(376,791)</u>	<u>(480,099)</u>
OPERATING PROFIT/(LOSS)	3	366,481	(480,099)
Interest receivable		17,507	34,480
Interest payable	6	<u>(81,533)</u>	<u>(5,484)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		302,455	(451,103)
Taxation on loss on ordinary activities	7	<u>(98,217)</u>	<u>132,690</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		204,238	(318,413)
RETAINED LOSS BROUGHT FORWARD		<u>(311,340)</u>	<u>7,073</u>
RETAINED LOSS CARRIED FORWARD		<u>£ (107,102)</u>	<u>£ (311,340)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and Loss account.

The notes on pages 7 to 12 form part of these financial statements.

BAYFORDBURY ESTATES LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2008

	Note	2008 £	£	2007 £	£
FIXED ASSETS					
Tangible fixed assets	8		78,401		81,720
CURRENT ASSETS					
Stocks	9	6,385,645		3,339,750	
Debtors	10	641,831		233,514	
Cash at bank and in hand		28,455		163,311	
		<u>7,055,931</u>		<u>3,736,575</u>	
CREDITORS: amounts falling due within one year	11	<u>(1,355,658)</u>		<u>(797,483)</u>	
NET CURRENT ASSETS			<u>5,700,273</u>		<u>2,939,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 5,778,674</u>		<u>£ 3,020,812</u>
CREDITORS: amounts falling due after more than one year					
Shareholder loan	12		3,750,000		3,000,000
Bank loans	12		2,135,676		332,052
CAPITAL AND RESERVES					
Called up share capital	14	100		100	
Profit and loss account		<u>(107,102)</u>		<u>(311,340)</u>	
	15		<u>(107,002)</u>		<u>(311,240)</u>
			<u>£ 5,778,674</u>		<u>£ 3,020,812</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
7 AUGUST 2009


 J. A. Barham
 Director

The notes on pages 7 to 12 form part of these financial statements.

BAYFORDBURY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the company's operations, which are described in the Directors' Report, all of which are continuing.

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.4 Investments

Investments held as fixed assets are shown at cost less provisions for their impairment.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	-	50%	straight line
Fixtures & fittings	-	5%	straight line
Office equipment	-	25%	straight line

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.8 Going concern

The financial statements have been prepared on the going concern basis, despite the net liabilities, which the directors believe to be appropriate for the following reason. The company is reliant for its working capital on funds provided to it by its majority shareholder and director, J.A. Barham, who has agreed to financially support the company, for at least 12 months from the date of the approval of these financial statements. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

BAYFORDBURY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2008

2. TURNOVER

The whole of the turnover relates to the principal activity being that of property investment.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	6,815	38,791
Auditors' remuneration	9,000	9,000
	<u>15,815</u>	<u>47,791</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2008 £	2007 £
Wages and salaries	142,031	133,041
Social security costs	25,133	55,568
Other pension costs	4,042	3,103
	<u>171,206</u>	<u>191,712</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2008	2007
Directors	3	3
Administration	5	5
	<u>8</u>	<u>8</u>

5. DIRECTORS' REMUNERATION

	2008 £	2007 £
Emoluments	£ 83,620	£ 71,365

BAYFORDBURY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2008

6. INTEREST PAYABLE

	2008 £	2007 £
On bank loans and overdrafts	81,533	24
Other interest payable	-	5,460
	<u>£ 81,533</u>	<u>£ 5,484</u>

7. TAXATION

	2008 £	2007 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	3,604	-
Deferred tax (see note 13)		
Origination and reversal of timing differences	94,613	(132,690)
	<u>£ 98,217</u>	<u>£ (132,690)</u>
Tax on profit/loss on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - *higher than*) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2008 £	2007 £
Profit/loss on ordinary activities before tax	<u>£ 302,455</u>	<u>£ (451,103)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)	84,687	(135,331)
Effects of:		
Expenses not deductible for tax purposes	5,982	10,256
Capital allowances for year in excess of depreciation	(5,346)	695
Losses used in the year	(80,421)	124,380
Other tax adjustments	(1,298)	-
	<u>£ 3,604</u>	<u>£ -</u>
Current tax charge for the year (see note above)		

Factors that may affect future tax charges

The company has tax trading adjusted losses of £127,380 to carry forward against taxable trading future profits.

BAYFORDBURY ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008**

8. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures and Fittings £	Office Equipment £	Total £
Cost				
At 1 November 2007	110,166	102,150	133,230	345,546
Additions	3,332	-	164	3,496
At 31 October 2008	<u>113,498</u>	<u>102,150</u>	<u>133,394</u>	<u>349,042</u>
Depreciation				
At 1 November 2007	110,166	20,430	133,230	263,826
Charge for the year	1,666	5,108	41	6,815
At 31 October 2008	<u>111,832</u>	<u>25,538</u>	<u>133,271</u>	<u>270,641</u>
Net book value				
At 31 October 2008	<u>£ 1,666</u>	<u>£ 76,612</u>	<u>£ 123</u>	<u>£ 78,401</u>
At 31 October 2007	<u>£ -</u>	<u>£ 81,720</u>	<u>£ -</u>	<u>£ 81,720</u>

9. STOCKS

	2008 £	2007 £
Land and development work in progress	<u>£ 6,385,645</u>	<u>£ 3,339,750</u>

10. DEBTORS

	2008 £	2007 £
Due after more than one year		
Deferred tax asset (see note 13)	38,077	132,690
Due within one year		
Trade debtors	461,279	-
Other debtors	128,799	86,077
Prepayments and accrued income	13,676	14,747
	<u>£ 641,831</u>	<u>£ 233,514</u>

BAYFORDBURY ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008**

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

	2008 £	2007 £
Trade creditors	415,821	46,181
Corporation tax	3,604	-
Social security and other taxes	4,873	4,692
Other creditors	479,527	648,362
Accruals and deferred income	451,833	98,248
	<u>£ 1,355,658</u>	<u>£ 797,483</u>

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

	2008 £	2007 £
Bank loans	2,135,676	332,052
Shareholder loan	3,750,000	3,000,000
	<u>£ 5,885,676</u>	<u>£ 3,332,052</u>

The bank loan is secured by means of a charge on the site under development.

13. DEFERRED TAX ASSET

	2008 £	2007 £
At 1 November 2007	132,690	-
(Charge for)/released during the year	(94,613)	132,690
	<u>£ 38,077</u>	<u>£ 132,690</u>

The deferred tax asset is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	2,410	-
Tax losses carried forward	35,667	132,690
	<u>£ 38,077</u>	<u>£ 132,690</u>

BAYFORDBURY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2008

14. SHARE CAPITAL

	2008 £	2007 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	£ 100	£ 100

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2008 £	2007 £
Opening shareholders' (deficit)/funds	(311,240)	7,173
Profit/(loss) for the year	204,238	(318,413)
Closing shareholders' deficit	£ (107,002)	£ (311,240)

16. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,042 (2007: £3,103). There were no balances outstanding at the balance sheet date.

17. TRANSACTIONS WITH DIRECTORS

Included in other creditors due within one year at the balance sheet date is an amount of £238,833 (2007: £497,333) owed to J.A. Barham, a director of the company.

Included in other creditors due after one year at the balance sheet date is an amount of £3,750,000 (2007: £3,000,000) owed to J.A. Barham, a director of the company.

All transactions were carried at arms' length and on normal commercial terms.

18. RELATED PARTY TRANSACTIONS

Beverley Homes Limited is a related party by virtue of having closely related shareholders.

During the year, Beverley Homes Limited participated in property development ventures with Bayfordbury Estates Limited.

At the year end creditors included an amount of £724,740 (2007: £46,222) due to Beverley Homes Limited.

All transactions were carried out on an arms' length basis and on normal commercial terms.

19. ULTIMATE CONTROLLING PARTY

As at 31 October 2008 and 31 October 2007, J.A. Barham has ultimate control by virtue of his shareholding in the company.