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**Buxton Homes (Southwark)  
Limited**

Report and Financial Statements

Year Ended

31 July 2008



**BDO Stoy Hayward**  
Chartered Accountants

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# **Buxton Homes (Southwark) Limited**

## **Annual report and financial statements for the year ended 31 July 2008**

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### **Directors**

D W Buxton  
S W Buxton

### **Secretary and registered office**

M A Freeland, Cedar House, 91 High Street, Caterham, Surrey, CR3 5UH.

### **Company number**

3751909

### **Auditors**

BDO Stoy Hayward LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

# **Buxton Homes (Southwark) Limited**

## **Report of the directors for the year ended 31 July 2008**

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The directors present their report together with the audited financial statements for the year ended 31 July 2008.

### **Results**

The profit and loss account is set out on page 5 and shows the profit for the year.

### **Principal activities**

The principal activity of the company continued to be that of rentals from investment in commercial and residential properties.

### **Directors**

The directors of the company during the year were:

D W Buxton  
S W Buxton

### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 year. 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; and
- 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.

# **Buxton Homes (Southwark) Limited**

## **Report of the directors for the year ended 31 July 2008 (continued)**

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### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This directors' 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**



S W Buxton  
**Director**

Date: 12 December 2008

# **Buxton Homes (Southwark) Limited**

## **Independent auditor's report**

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### **To the shareholders of Buxton Homes (Southwark) Limited**

We have audited the financial statements of Buxton Homes (Southwark) Limited for the year ended 31 July 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *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 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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.

## Buxton Homes (Southwark) Limited

### Independent auditor's report (*continued*)

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#### *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 July 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.



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Gatwick*

Date: 17 December 2008

## Buxton Homes (Southwark) Limited

### Profit and loss account for the year ended 31 July 2008

	Note	2008 £	2007 £
Turnover	2	210,625	201,159
Administrative expenses		30,311	(459,306)
<b>Operating profit</b>	3	<b>180,314</b>	660,465
Other interest receivable and similar income	4	1,078	651
Interest payable and similar charges	5	(171,071)	(151,986)
<b>Profit on ordinary activities before taxation</b>		<b>10,321</b>	509,130
Taxation on profit on ordinary activities	6	8	433
<b>Profit on ordinary activities after taxation</b>		<b>10,313</b>	508,697

All amounts relate to continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

## Buxton Homes (Southwark) Limited

### Statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 31 July 2008

	Note	2008 £	2007 £
<b>Statement of total recognised gains and losses</b>			
Profit for the financial year		10,313	508,697
Premium on purchase of own shares		-	(604,075)
Purchase of own shares		-	1
		<hr/>	<hr/>
<b>Total recognised gains and losses for the financial year</b>		<b>10,313</b>	<b>(95,377)</b>
		<hr/>	<hr/>
<b>Note of historical cost profits and losses</b>			
		2008 £	2007 £
Reported profit on ordinary activities before taxation		10,321	509,130
		<hr/>	<hr/>
<b>Historical cost profit on ordinary activities before taxation</b>		<b>10,321</b>	<b>509,130</b>
		<hr/>	<hr/>
<b>Historical cost profit for the year after taxation</b>		<b>10,313</b>	<b>508,697</b>
		<hr/>	<hr/>

The notes on pages 8 to 13 form part of these financial statements.



# Buxton Homes (Southwark) Limited

## Balance sheet at 31 July 2008

	Note	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Tangible assets	7		1,914		2,553
Fixed asset investments	8		4,030,000		4,030,000
			<u>4,031,914</u>		<u>4,032,553</u>
<b>Current assets</b>					
Debtors	9	26,224		34,137	
Cash at bank and in hand		57,831		42,204	
		<u>84,055</u>		<u>76,341</u>	
<b>Creditors: amounts falling due within one year</b>	10	53,253		56,491	
		<u>53,253</u>		<u>56,491</u>	
<b>Net current assets</b>			30,802		19,850
<b>Total assets less current liabilities</b>			4,062,716		4,052,403
<b>Creditors: amounts falling due after more than one year</b>	11		2,600,000		2,600,000
			<u>2,600,000</u>		<u>2,600,000</u>
			<u>1,462,716</u>		<u>1,452,403</u>
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Revaluation reserve	13		1,422,404		1,422,404
Capital redemption reserve	13		1		1
Profit and loss account	13		40,310		29,997
			<u>1,462,716</u>		<u>1,452,403</u>
<b>Shareholders' funds</b>	14		1,462,716		1,452,403

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board of directors and authorised for issue on 12 December 2008



S W Buxton  
Director

The notes on pages 8 to 13 form part of these financial statements.

# Buxton Homes (Southwark) Limited

## Notes forming part of the financial statements for the year ended 31 July 2008

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold investment properties.

The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents property rental to external customers at invoiced amounts less value added tax or local taxes on sales. Rental charges invoiced in advance of the rental period are treated as deferred income.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Fixtures, fittings and equipment                      - 25% on written down value

#### *Investment properties*

In accordance with SSAP 19 investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by W&R Buxton Holdings Limited and the company is included in consolidated financial statements.

## Buxton Homes (Southwark) Limited

Notes forming part of the financial statements  
for the year ended 31 July 2008 *(continued)*

### 2 Turnover

Turnover arises solely within the United Kingdom.

### 3 Operating profit

	2008 £	2007 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	639	851
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	353	1,763
	<u>          </u>	<u>          </u>

During the current financial year auditors remuneration was borne by the immediate parent company, W & R Buxton Limited.

Included within prior year administrative expenses is a credit of £510,000 following the write back of an intercompany creditor.

### 4 Other interest receivable and similar income

	2008 £	2007 £
Bank deposits	1,078	651
	<u>          </u>	<u>          </u>

### 5 Interest payable and similar charges

	2008 £	2007 £
Bank loans and overdrafts	171,071	151,986
	<u>          </u>	<u>          </u>

### 6 Taxation on profit on ordinary activities

	2008 £	2007 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	433
Adjustment in respect of previous periods	8	-
	<u>          </u>	<u>          </u>

## Buxton Homes (Southwark) Limited

Notes forming part of the financial statements  
for the year ended 31 July 2008 (*continued*)

### 7 Tangible fixed assets

	Fixtures, fittings & equipment £
<i>Cost or valuation</i>	
At 1 August 2007 and 31 July 2008	16,035
	<hr/>
<i>Depreciation</i>	
At 1 August 2007	13,482
Provided for the year	639
	<hr/>
At 31 July 2008	14,121
	<hr/>
<i>Net book value</i>	
At 31 July 2008	1,914
	<hr/>
At 31 July 2007	2,553
	<hr/>

### 8 Fixed asset investments

	Investment properties £
<i>Valuation</i>	
At 1 August 2007 and 31 July 2008	4,030,000
	<hr/>

The investment properties were valued on 31 July 2008 by the directors on an open market basis.

On a historical cost basis these would have been included at an original cost of £2,607,596.

# Buxton Homes (Southwark) Limited

Notes forming part of the financial statements  
for the year ended 31 July 2008 (continued)

## 9 Debtors

	2008 £	2007 £
Trade debtors	576	352
Amounts owed by group undertakings	23,603	30,594
Other debtors	2,045	3,191
	<u>26,224</u>	<u>34,137</u>

All amounts shown under debtors fall due for payment within one year.

## 10 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	2,925	4,893
Taxation and social security	-	433
Other creditors	25,730	51,165
Accruals and deferred income	24,598	-
	<u>53,253</u>	<u>56,491</u>

## 11 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Bank loan (secured)	2,600,000	2,600,000

Maturity of debt:

	Bank loan 2008 £	Bank loan 2007 £
In more than two years but not more than five years	2,600,000	2,600,000

The loan facility dated 29 September 2006 is repayable by a single payment in 5 years and interest is calculated at 1.10% over the bank base rate. At the year end the rate was 6.10%.

The loan is secured by fixed and floating charges over the assets of the company.

# Buxton Homes (Southwark) Limited

Notes forming part of the financial statements  
for the year ended 31 July 2008 (continued)

## 12 Share capital

	2008 £	Authorised 2007 £	Allotted, called up and fully paid 2008 £	2007 £
101 ordinary shares of 1 pence each	100	100	1	1

## 13 Reserves

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 August 2007	1,422,404	1	29,997
Profit for the year	-	-	10,313
At 31 July 2008	1,422,404	1	40,310

## 14 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the year	10,313	508,697
Other net recognised gains and losses relating to the year		
- Premium on purchase of own shares	-	(604,075)
- Purchase of own shares	-	1
Shares redeemed	-	(1)
Net additions to/(deductions from) shareholders' funds	10,313	(95,378)
Opening shareholders' funds	1,452,403	1,547,781
Closing shareholders' funds	1,462,716	1,452,403

## 15 Contingent liabilities

The company is party to group guarantees provided to the bank in respect of borrowings within each company.

## **Buxton Homes (Southwark) Limited**

**Notes forming part of the financial statements  
for the year ended 31 July 2008 (continued)**

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### **16 Related party disclosures**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by W & R Buxton Holdings Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

### **17 Ultimate parent company and parent undertaking of larger group**

The company is a subsidiary of W & R Buxton Holdings Limited which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by W & R Buxton Holdings Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.

In the opinion of the directors there is no ultimate controlling party.