

# **Buxton Homes (Southwark) Limited**

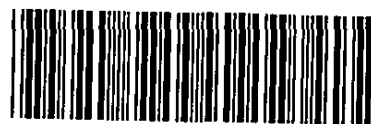
Report and Financial Statements

Year Ended

31 July 2010

Company Number 3751909

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# **Buxton Homes (Southwark) Limited**

## **Report and financial statements for the year ended 31 July 2010**

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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 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 2010**

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The directors present their report together with the audited financial statements for the year ended 31 July 2010

### **Results**

The profit and loss account is set out on page 5 and shows the loss 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 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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.

# **Buxton Homes (Southwark) Limited**

## **Report of the directors for the year ended 31 July 2010 (*continued*)**

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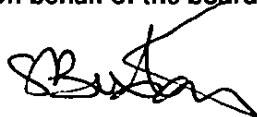
### **Auditors**

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 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.

In preparing this directors' report advantage has been taken of the small companies' exemption.

### **On behalf of the board**



S W Buxton  
**Director**

Date 22 December 2010

# **Buxton Homes (Southwark) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF BUXTON HOMES (SOUTHWARK) LIMITED**

We have audited the financial statements of Buxton Homes (Southwark) Limited for the year ended 31 July 2010 which comprise the profit and loss account, the balance sheet, the note of historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 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 the directors, and the overall presentation of the financial statements.

### **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 July 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter 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.

# **Buxton Homes (Southwark) Limited**

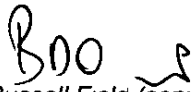
## **Independent auditor's report (*continued*)**

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### **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 and the directors' report in accordance with the small companies' regime



*Russell Field (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick  
United Kingdom*

Date 22 December 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Buxton Homes (Southwark) Limited

### Profit and loss account for the year ended 31 July 2010

|   | Note | 2010<br>£        | 2009<br>£ |
|---|------|------------------|-----------|
| <b>Turnover</b>   | 2    | <b>200,513</b>   | 207,916   |
| Administrative expenses                                     |      | <b>57,643</b>    | 27,113    |
|   |      | <hr/>            | <hr/>     |
| <b>Operating profit</b>                                     | 3    | <b>142,870</b>   | 180,803   |
| Other interest receivable and similar income                | 4    | <b>965</b>       | 365       |
| Interest payable and similar charges                        | 5    | <b>(167,068)</b> | (83,307)  |
|   |      | <hr/>            | <hr/>     |
| <b>(Loss)/profit on ordinary activities before taxation</b> |      | <b>(23,233)</b>  | 97,861    |
| Taxation on (loss)/profit on ordinary activities            | 6    | <b>(1,615)</b>   | (1,355)   |
|   |      | <hr/>            | <hr/>     |
| <b>(Loss)/profit on ordinary activities after taxation</b>  |      | <b>(24,848)</b>  | 96,506    |
|   |      | <hr/>            | <hr/>     |

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

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

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

### **Note of historical cost profits and losses for the year ended 31 July 2010**

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|   | <b>2010</b>     | <b>2009</b>   |
|---|-----------------|---------------|
|   | <b>£</b>        | <b>£</b>      |
| <b>Note of historical cost profits and losses</b>                           |                 |               |
| Reported (loss)/profit on ordinary activities before taxation               | <b>(23,233)</b> | <b>97,861</b> |
|   | <hr/>           | <hr/>         |
| <b>Historical cost (loss)/profit on ordinary activities before taxation</b> | <b>(23,233)</b> | <b>97,861</b> |
|   | <hr/>           | <hr/>         |
| <b>Historical cost (loss)/profit for the year after taxation</b>            | <b>(24,848)</b> | <b>96,506</b> |
|   | <hr/>           | <hr/>         |

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



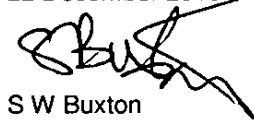
# Buxton Homes (Southwark) Limited

## Balance sheet at 31 July 2010

| <b>Company number 3751909</b>                                  | <b>Note</b> | <b>2010<br/>£</b> | <b>2010<br/>£</b> | <b>2009<br/>£</b> | <b>2009<br/>£</b> |
|--|-------------|-------------------|-------------------|-------------------|-------------------|
| <b>Fixed assets</b>  |             |                   |                   |                   |                   |
| Tangible assets  | 7           |                   | 3,908             |                   | 1,435             |
| Fixed asset investments  | 8           |                   | 4,030,000         |                   | 4,030,000         |
|  |             |                   | <u>4,033,908</u>  |                   | <u>4,031,435</u>  |
| <b>Current assets</b>  |             |                   |                   |                   |                   |
| Debtors  | 9           | 113,707           |                   | 121,611           |                   |
| Cash at bank and in hand                                       |             | 43,711            |                   | 44,767            |                   |
|  |             | <u>157,418</u>    |                   | <u>166,378</u>    |                   |
| <b>Creditors: amounts falling due within one year</b>          | 10          | 56,952            |                   | 38,591            |                   |
|  |             | <u>56,952</u>     |                   | <u>38,591</u>     |                   |
| <b>Net current assets</b>                                      |             |                   | 100,466           |                   | 127,787           |
| <b>Total assets less current liabilities</b>                   |             |                   | 4,134,374         |                   | 4,159,222         |
| <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>1,534,374</u>  |                   | <u>1,559,222</u>  |
| <b>Capital and reserves</b>                                    |             |                   |                   |                   |                   |
| Called up share capital  | 12          |                   | 1                 |                   | 1                 |
| Revaluation reserve  | 13          |                   | 1,422,404         |                   | 1,422,404         |
| Other reserves   | 13          |                   | 1                 |                   | 1                 |
| Profit and loss account  | 13          |                   | 111,968           |                   | 136,816           |
|  |             |                   | <u>1,534,374</u>  |                   | <u>1,559,222</u>  |
| <b>Shareholders' funds</b>                                     | 14          |                   | 1,534,374         |                   | 1,559,222         |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 22 December 2010

  
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 2010

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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

#### *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

#### *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, 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 2006 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

## Buxton Homes (Southwark) Limited

Notes forming part of the financial statements  
for the year ended 31 July 2010 (*continued*)

### 2 Turnover

Turnover arises solely within the United Kingdom

### 3 Operating profit

|                                       | 2010<br>£         | 2009<br>£         |
|---------------------------------------|-------------------|-------------------|
| This is arrived at after charging     |                   |                   |
| Depreciation of tangible fixed assets | 682               | 479               |
|                                       | <u>          </u> | <u>          </u> |

During the current financial year auditors' remuneration was borne by W & R Buxton Limited, a fellow subsidiary company

### 4 Other interest receivable and similar income

|               | 2010<br>£         | 2009<br>£         |
|---------------|-------------------|-------------------|
| Bank deposits | 965               | 365               |
|               | <u>          </u> | <u>          </u> |

### 5 Interest payable and similar charges

|                           | 2010<br>£         | 2009<br>£         |
|---------------------------|-------------------|-------------------|
| Bank loans and overdrafts | 41,486            | 83,307            |
| Other interest payable    | 2                 | -                 |
| Hedging interest charges  | 125,580           | -                 |
|                           | <u>          </u> | <u>          </u> |
|                           | 167,068           | 83,307            |
|                           | <u>          </u> | <u>          </u> |

Following discussions between the directors of the ultimate parent company, W & R Buxton Holdings Limited, and Buxton Homes (Southwark) Limited it was agreed that hedging gains or losses incurred by W & R Buxton Holdings Limited would now be borne by those group entities who hold the associated debt instruments. The allocation of hedging income and charges is based on the level of debt held by the company in proportion to the total value of debt hedged by the entire group.

# Buxton Homes (Southwark) Limited

Notes forming part of the financial statements  
for the year ended 31 July 2010 (*continued*)

## 6 Taxation on (loss)/profit on ordinary activities

|   | 2010<br>£ | 2009<br>£ |
|---|-----------|-----------|
| <i>UK Corporation tax</i>                 |           |           |
| Adjustment in respect of previous periods | 1,615     | 1,355     |

## 7 Tangible fixed assets

|                          | Fixtures,<br>fittings &<br>equipment<br>£ |
|--------------------------|---|
| <i>Cost or valuation</i> |   |
| At 1 August 2009         | 16,034                                    |
| Additions                | 3,155                                     |
|                          | <hr/>                                     |
| At 31 July 2010          | 19,189                                    |
|                          | <hr/>                                     |
| <i>Depreciation</i>      |   |
| At 1 August 2009         | 14,599                                    |
| Provided for the year    | 682                                       |
|                          | <hr/>                                     |
| At 31 July 2010          | 15,281                                    |
|                          | <hr/>                                     |
| <i>Net book value</i>    |   |
| At 31 July 2010          | 3,908                                     |
|                          | <hr/>                                     |
| At 31 July 2009          | 1,435                                     |
|                          | <hr/>                                     |

## 8 Fixed asset investments

|                                   | Investment<br>properties<br>£ |
|-----------------------------------|-------------------------------|
| <i>Valuation</i>                  |                               |
| At 1 August 2009 and 31 July 2010 | 4,030,000                     |

The investment properties were valued on 31 July 2010 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 2010 *(continued)*

## 9 Debtors

|                                    | 2010<br>£      | 2009<br>£      |
|------------------------------------|----------------|----------------|
| Trade debtors                      | -              | 1,069          |
| Amounts owed by group undertakings | 108,108        | 117,555        |
| Other debtors                      | 5,599          | 2,987          |
|                                    | <u>113,707</u> | <u>121,611</u> |

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

## 10 Creditors: amounts falling due within one year

|                              | 2010<br>£     | 2009<br>£     |
|------------------------------|---------------|---------------|
| Payments received on account | 23,834        | 24,149        |
| Trade creditors              | 2,238         | 4,409         |
| Accruals and deferred income | 30,880        | 10,033        |
|                              | <u>56,952</u> | <u>38,591</u> |

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

|   | 2010<br>£              | 2009<br>£              |
|---|------------------------|------------------------|
| Bank loan (secured)                                 | 2,600,000              | 2,600,000              |
|   | <u>2,600,000</u>       | <u>2,600,000</u>       |
| Maturity of debt                                    |                        |                        |
|   | Bank loan<br>2010<br>£ | Bank loan<br>2009<br>£ |
| In more than one year but not more than two years   | 2,600,000              | -                      |
| In more than two years but not more than five years | -                      | 2,600,000              |
|   | <u>2,600,000</u>       | <u>2,600,000</u>       |

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 1 60% (2009 - 1 60%)

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 2010 (*continued*)

## 12 Share capital

|   | 2010<br>£ | 2009<br>£ |
|---|-----------|-----------|
| <i>Allotted, called up and fully paid</i> |           |           |
| 101 ordinary shares of 1 pence each       | 1         | 1         |

## 13 Reserves

|                   | Revaluation<br>reserve<br>£ | Other<br>reserves<br>£ | Profit and<br>loss account<br>£ |
|-------------------|-----------------------------|------------------------|---------------------------------|
| At 1 August 2009  | 1,422,404                   | 1                      | 136,816                         |
| Loss for the year | -                           | -                      | (24,848)                        |
| At 31 July 2010   | 1,422,404                   | 1                      | 111,968                         |

## 14 Reconciliation of movements in shareholders' funds

|                             | 2010<br>£ | 2009<br>£ |
|-----------------------------|-----------|-----------|
| (Loss)/profit for the year  | (24,848)  | 96,506    |
| Opening shareholders' funds | 1,559,222 | 1,462,716 |
| Closing shareholders' funds | 1,534,374 | 1,559,222 |

## 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 2010 (*continued*)**

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## **16 Related party disclosures**

The company is a wholly owned subsidiary of W & R Buxton Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with W & R Buxton Holdings Limited or other wholly owned subsidiaries within the group

## **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.