

COMPANY NUMBER 4386848

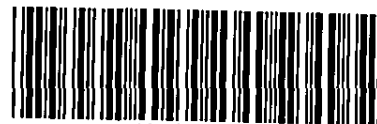
Lexington Finance Limited

Report and Financial Statements

Year Ended

31 December 2007

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BDO Stoy Hayward
Chartered Accountants

Lexington Finance Limited

**Annual report and financial statements
for the year ended 31 December 2007**

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Directors

M A Ratcliffe
S M Ratcliffe
S W O'Brien

Secretary and registered office

S M Ratcliffe, Munro House, Portsmouth Road, Cobham, Surrey, KT11 1PA

Company number

04386848

Auditors

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

Bankers

Bank of Scotland, Corporate Banking, The Mound, Edinburgh, EH1 1YZ

Lexington Finance Limited

Report of the directors for the year ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007.

Results and dividends

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

The directors do not recommend a payment of dividend (2006 - £Nil).

Principal activities, trading review and future developments

The principal activities of the company are the financing and purchase of second hand residential properties through a part exchange scheme offered to residential property developers.

The directors anticipate an increase in the future level of trading activity.

Directors and their interests

The directors of the company during the year were:

M A Ratcliffe
S M Ratcliffe
S W O'Brien

The directors are also the directors of the ultimate parent company, Wolsey Group Limited and their interests in the share capital of that company are shown in its financial statements.

Directors' responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

Lexington Finance Limited

Report of the directors for the year ended 31 December 2006 (*Continued*)

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 have expressed their willingness to continue in office and a resolution to re-appointment them will be proposed at the annual general meeting.

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

By order of the Board


S M Ratcliffe
Secretary

Date: 14/11/09

Lexington Finance Limited

Report of the independent auditors

To the shareholders of Lexington Finance Limited

We have audited the financial statements of Lexington Finance Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. We also report to you if, in our opinion, the directors' report is not consistent with those financial statements, if 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 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.

Lexington Finance Limited

Report of the independent auditors (*Continued*)

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 December 2007 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the directors' report is consistent with the financial statements.



BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Gatwick

Date: 19 January 2009

Lexington Finance Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administration expenses		-	1
		<hr/>	<hr/>
Operating loss		-	(1)
Other interest receivable and similar income		-	-
Interest payable and similar charges		-	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		-	(1)
Taxation on loss from ordinary activities	2	-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		-	(1)
		<hr/>	<hr/>

All amounts relate to continuing activities.

The company had no recognised gains or losses other than those shown above.

The notes on pages 7 to 9 form part of these financial statements.

Lexington Finance Limited

Balance sheet at 31 December 2007

	Note	2007 £	2006 £
Current assets			
Stock and work in progress	3	-	-
Creditors: amounts falling due within one year	4	<u>(30,057)</u>	<u>(30,057)</u>
Net current liabilities		<u>(30,057)</u>	<u>(30,057)</u>
Capital and reserves			
Called up share capital	5	1	1
Profit and loss account	6	<u>(30,058)</u>	<u>(30,058)</u>
Shareholders' funds – in deficit	7	<u>(30,057)</u>	<u>(30,057)</u>

The financial statements on pages 5 to 9 were approved by the Board and authorised for issue on 14/11/09.


S M Ratcliffe
Director

The notes on pages 7 to 9 form part of these financial statements.

Lexington Finance Limited

Notes forming part of the financial statements for the year ended 31 December 2007

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Going concern

The accounts have been prepared on a going concern basis, notwithstanding the net liabilities of £30,057 at 31 December 2007 (2006 - £30,057) as the ultimate parent company, Wolsey Group Limited, has committed to provide continued financial support to the company for a period of not less than one year from the date of signing these financial statements.

Stock and work in progress

Stock and work in progress have been valued at the lower of cost and net realisable value. Cost comprises costs of acquisition and development and including directly attributable fees and expenses, but not interest. Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal.

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 the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of underlying timing differences. Deferred tax balances are not discounted.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 to include a cash flow statement on the basis that it is part of a group and its results are consolidated in the financial statements of its ultimate parent company.

2 Taxation

There was no tax charge in the period from the date of incorporation to 31 December 2007. There is no unprovided deferred tax at 31 December 2007.

3 Stocks and work in progress

	2007 £	2006 £
Work in progress	-	-

Lexington Finance Limited

Notes forming part of the financial statements
for the year ended 31 December 2007 (Continued)

4 Creditors: amounts falling due within one year

	2007 £	2006 £
Owed to group undertakings	30,056	30,056
Bank overdraft	1	1
	<u>30,057</u>	<u>30,057</u>

5 Share capital

	2007 £	2006 £
	Authorised, allotted, called up and fully paid	
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

6 Reserves

	2007 £	2006 £
Profit and loss account:		
As at 1 January	(30,058)	(30,057)
Loss for the year	-	(1)
	<u>(30,058)</u>	<u>(30,058)</u>
As at 31 December	(30,058)	(30,058)

7 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss on ordinary activities after taxation	-	(1)
Opening shareholders' funds	(30,057)	(30,056)
	<u>(30,057)</u>	<u>(30,057)</u>
Closing equity shareholders' funds – in deficit	(30,057)	(30,057)

Lexington Finance Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (*Continued*)

8 Ultimate parent undertaking

The company is a wholly owned subsidiary of Wolsey Group Limited, a company incorporated in England and Wales.

Wolsey Group Limited is the parent company of the largest and smallest group of which the company is a member and for which consolidated accounts are drawn up.

Copies of the consolidated financial statements of Wolsey Group Limited are available from Companies House.

As a subsidiary undertaking of Wolsey Group Limited, the company has taken advantage of the exemption in Financial Reporting Standard No. 8, "Related Party Disclosures" from disclosing transactions with other members of the group headed by Wolsey Group Limited.