

**WELBECK LAND (BRISTOL) LIMITED**

**REPORTS AND ACCOUNTS**

**For the year ended**

**31 MARCH 2007**

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# **WELBECK LAND (BRISTOL) LIMITED**

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## **WELBECK LAND (BRISTOL) LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

A P Bouch  
A J Watson  
T R Shannon  
J P M Lee

#### **SECRETARY**

J P M Lee

#### **REGISTERED OFFICE**

23 Queen Anne Street  
London  
W1G 9DL

#### **BANKERS**

Coutts & Co  
St Martins Office  
440 Strand  
London  
WC2R 0QS

#### **AUDITORS**

Nexia Smith & Williamson  
25 Moorgate  
London  
EC2R 6AY

#### **SOLICITORS**

Osborne Clark  
1 London Wall  
London  
EC2Y 5EB

#### **COMPANY'S REGISTERED NUMBER**

4641389

# **WELBECK LAND (BRISTOL) LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the accounts for the year ended 31 March 2007

### **Activities**

The principal activity of the company is property dealing and development

### **Results for the year and dividends**

The loss for the year after taxation was £30,725 (2006 £144,119) No dividend was paid during the year (2006 £nil)

### **Directors**

The directors of the company at 31 March 2007 and throughout the year were

A P Bouch  
A J Watson  
T R Shannon  
J P M Lee

### **Disclosure of information to the auditors**

In the case of each person who was a director at the time this report was approved

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985

### **Auditors**

A resolution to reappoint the auditors, Nexia Smith & Williamson, will be proposed at the next AGM

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

Approved by the board of directors  
and signed on behalf of the board



J P M Lee  
SECRETARY

## **WELBECK LAND (BRISTOL) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 for the company and to enable them to ensure that the accounts 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.

# Nexia Smith & Williamson

## Independent auditors' report to the shareholders of Welbeck Land (Bristol) Limited

We have audited the accounts of Welbeck Land (Bristol) Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. These accounts have been prepared under the historical cost convention and 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

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

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts. 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### Opinion

In our opinion:

- the accounts 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 March 2007 and of its loss for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts.

Nexia Smith & Williamson  
Chartered Accountants  
Registered Auditors

25 Moorgate  
London  
EC2R 6AY

Date 2.10.2007

**WELBECK LAND (BRISTOL) LIMITED****PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2007**

	Notes	2007 £	2006 £
<b>Turnover</b>	1	2,188,678	103,549
Property outgoings and cost of sales		(2,033,288)	(88,892)
<b>Gross profit</b>		155,390	14,657
Administrative expenses		(5,541)	(10,165)
<b>Operating profit</b>		149,849	4,492
Interest receivable and similar income	2	2,796	1,273
Interest payable	3	(195,698)	(212,026)
<b>Loss on ordinary activities before taxation</b>	4	(43,053)	(206,261)
Tax on loss on ordinary activities	5	12,328	62,142
<b>Loss for the financial year</b>	11	(30,725)	(144,119)

All of the company's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

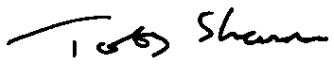

**WELBECK LAND (BRISTOL) LIMITED**

**BALANCE SHEET as at 31 MARCH 2007**

	Notes	2007 £	2006 £
<b>Current assets</b>			
Stock	6	819,214	2,615,506
Investments	7	21	23
Debtors	8	2,521	855
Cash at bank and in hand		26,938	27,633
		<hr/>	<hr/>
		848,694	2,644,017
<b>Creditors</b> amounts falling due within one year	9	(1,131,733)	(2,896,331)
		<hr/>	<hr/>
<b>Net liabilities</b>		(283,039)	(252,314)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	(283,139)	(252,414)
		<hr/>	<hr/>
<b>Shareholders' funds - equity</b>	12	(283,039)	(252,314)
		<hr/>	<hr/>

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 accounts were approved by the Board of Directors on 13 September 2007 and were signed on its behalf by

T R Shannon		)
A J Watson		) Directors



## **WELBECK LAND (BRISTOL) LIMITED**

### **NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2007**

#### **1 Accounting policies**

The accounts have been prepared in accordance with applicable accounting standards and on a going concern basis. A summary of the more important accounting policies adopted are described below.

##### **Accounting convention**

The accounts have been prepared under the historical cost convention.

##### **Basis of preparation**

The directors have taken advantage of the exclusion allowed by FRS2 and section 249 of the Companies Act 1985 from producing consolidated accounts.

The accounts of Welbeck Land (Bristol) Limited present information about it as an individual undertaking and not about its group.

##### **Going Concern**

The accounts have been prepared on a going concern basis. The company incurred a loss for the year after taxation of £30,725 (2006 £144,119) and at 31 March 2007 its liabilities exceeded its assets by £283,039 (2006 £252,314).

The directors remain confident that the company's principal development project will generate profits in the medium term. However the adoption of the going concern basis is dependent upon the commitment of the ultimate parent company to continue to provide financial support. The parent company has confirmed its willingness to provide financial support for at least another year.

On this basis, the directors consider it appropriate to draw up the accounts on a going concern basis.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Stock consists of land and buildings held for development or trading. Additions to these properties include the costs of finance charges specifically related to the funding of the purchase and development of the property, except that interest costs incurred prior to construction and after practical completion are not added to work in progress, but are written off in the year to which they relate.

##### **Deferred taxation**

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

# WELBECK LAND (BRISTOL) LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2007 (continued)

### 1 Accounting policies (continued)

#### Turnover

Turnover represents income from rental income, goods and services and proceeds from property sales, net of VAT. Property sales are recognised when legal completion occurs. The company operates solely in the United Kingdom.

#### Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from reporting related party transactions with its parent undertaking as the company is included within the consolidated accounts of the parent undertaking.

#### Cash flow statement

The company is not required to prepare a cash flow statement under the exemption provided in Financial Reporting Standard No 1.

2	<b>Interest receivable and similar income</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Bank interest	2,796	795
	Insurance commission	-	478
		<hr/>	<hr/>
		2,796	1,273
		<hr/>	<hr/>
3	<b>Interest payable</b>	<b>£</b>	<b>£</b>
	Interest charged by parent company	195,698	212,026
		<hr/>	<hr/>
4	<b>Loss on ordinary activities before taxation</b>	<b>£</b>	<b>£</b>
	is stated after charging		
	Auditors' remuneration		
	- Amounts paid to the auditors of the company for the audit of the company's accounts	2,560	3,410
		<hr/>	<hr/>

Fees payable to the auditors' and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

**WELBECK LAND (BRISTOL) LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2007 (continued)**

<b>5</b>	<b>Tax on loss on ordinary activities</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Current taxation		
	- Group relief surrendered	(12,916)	(62,142)
	- Under provision in previous years	588	-
		<hr/>	<hr/>
		(12,328)	(62,142)
		<hr/>	<hr/>
	<b>Tax reconciliation</b>		
	Loss on ordinary activities before tax	(43,053)	(206,261)
		<hr/>	<hr/>
	Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(12,916)	(61,878)
	Under provision in previous years	588	-
	Other timing differences	-	(264)
		<hr/>	<hr/>
	Total current tax (credit)	(12,328)	(62,142)
		<hr/>	<hr/>
<b>6</b>	<b>Stock</b>	<b>£</b>	<b>£</b>
	Land and buildings held for development	819,214	2,615,506
		<hr/>	<hr/>
<b>7</b>	<b>Current asset investments</b>		
			<b>Investments in subsidiary undertakings £</b>
	<b>Cost and net book value</b>		
	Cost at 31 March 2006		23
	Disposals		(2)
			<hr/>
	At 31 March 2007		21
			<hr/>

**WELBECK LAND (BRISTOL) LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2007 (continued)**

**7 Current asset investments (continued)**

The investments in group companies at 31 March 2007 were as follows

Name of Company	Nature of business	Country of incorporation and operation	Capital and reserves £	Proportion of equity held %
<i>Subsidiary undertakings</i>				
Eaton Crescent, Cliffon Garden, Limited	Residential Property Management	UK	27	78%

<b>8 Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Other debtors	700	739
Prepayments	1,821	116
	<hr/>	<hr/>
	2,521	855
<b>9 Creditors</b> amounts falling due within one year	<hr/>	<hr/>
	<b>£</b>	<b>£</b>
Overdraft	240	-
Trade creditors	1,275	26,226
Amounts owed to parent company	1,127,588	2,866,148
Other creditors	-	499
Accruals	2,630	3,458
	<hr/>	<hr/>
	1,131,733	2,896,331
	<hr/>	<hr/>

Interest was charged to group companies at LIBOR plus 3% on the loan from the parent undertaking

<b>10 Called up share capital</b>	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

**WELBECK LAND (BRISTOL) LIMITED****NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2007 (continued)**

<b>11</b>	<b>Profit and loss account</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	At 1 April 2006	(252,414)	(108,295)
	Loss for the year	(30,725)	(144,119)
		<hr/>	<hr/>
	At 31 March 2007	(283,139)	(252,414)
		<hr/>	<hr/>
<b>12</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>£</b>	<b>£</b>
	Opening shareholders' funds	(252,314)	(108,195)
	Loss for the year	(30,725)	(144,119)
		<hr/>	<hr/>
	Closing shareholders' funds	(283,039)	(252,314)
		<hr/>	<hr/>
<b>13</b>	<b>Ultimate parent and controlling company</b>		

The company is a wholly owned subsidiary of Welbeck Land Limited, a company incorporated in Great Britain. Copies of the Welbeck Land Limited's accounts can be obtained from 23 Queen Anne Street, London W1G 9DL.