

Burford Beta Holdings Limited

Annual report and consolidated financial statements

31 March 2018

Registered number 04882988

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Burford Beta Holdings Limited

Registered number 04882988

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Burford Beta Holdings Limited

Registered number 04882988

Strategic report

Principal activity

The principal activity of the Group is property development and trading. The Group holds properties in the commercial property sector.

Business review and future developments

For the year ended 31 March 2018, the Group made a loss before tax of £1m (2017: £1m loss). The Group has net assets of £0.3m (2017: £1.5m).

Principal risks and uncertainties

The Group is subject to risks such as damage to properties by flood, fire or terrorist action and increases in the cost of borrowing. The Group takes measures where possible to mitigate these risks such as insurance and monitoring interest rate borrowing.

The loan facility of £2.4m was drawn on 10 June 2016 by a fellow group undertaking, Burford Alpha Limited, repayable by 9 December 2017. In December 2017 the loan was refinanced with a facility of £3m repayable by 12 December 2018 and interest fixed at 0.85% per month. However, following the completion on the sale of a property by a group undertaking, the loan was repaid in full in May 2018.

Financial risk management policies and objectives

As stated above, the Group is financed by an external loan and pays interest which is charged at a fixed rate. The loan was due to be repaid by 12 December 2018 but was repaid in full in May 2018 following the sale of a property by the Group.

Position of the Company at the year end and future prospects

Looking forward, although the economic outlook is uncertain, the Group will continue to focus on selling its remaining property to generate revenue to discharge the group's debt and tax liabilities and make further distributions to shareholders. It is not looking for properties in the UK.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

By Order of the Board


J Gleek
Director

Richmond House
Avonmouth Way
Avonmouth
Bristol BS11 8DE

18 December 2018

Burford Beta Holdings Limited

Registered number 04882988

Directors' report

The directors submit their report and Group and Company consolidated financial statements for the year ended 31 March 2018.

Directors

The directors who served during the year and subsequently were:-

RJ Anderson Resigned 20 August 2018

J Gleek

B Porter

Dividends

The Company did not pay an interim dividend in the year (2017: £nil) and the directors do not propose a final dividend (2017: £nil).

Political and charitable donations

During the current year and the preceding year the Group made no charitable donations. No donations were made to political parties.

Payment policy

The policy of the Group and the Company is to pay suppliers by the date specific to each transaction. The Group and Company do not follow any specific supplier code or practice and the Group and Company adhere to the payment terms of its suppliers stated in their invoice.

By Order of the Board


J Gleek
Director

Richmond House
Avonmouth Way
Avonmouth
Bristol BS11 8DE

18 December 2018

Burford Beta Holdings Limited

Registered number 04882988

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the Group and Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 Group and the Parent Company and of their profit or loss 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 estimates that are reasonable and prudent;
- state whether applicable UK 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 Group and the Parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Parent Company and to prevent and detect fraud and other irregularities.

Burford Beta Holdings Limited

Registered number 04882988

Consolidated profit and loss account

for the year ended 31 March 2018

	<i>Note</i>	31 March 2018 £000	31 March 2017 £000
Turnover	2	-	-
Cost of sales	3	<u>(18)</u>	<u>(16)</u>
Gross loss		(18)	(13)
Administrative expenses		(126)	(164)
Fair value of current investment		13,169	12,125
Profit on disposal of subsidiary		<u>-</u>	<u>-</u>
Total operating profit		13,026	11,945
Interest receivable and similar income		-	-
Interest payable and similar charges	5	<u>(14,102)</u>	<u>(12,989)</u>
Loss on ordinary activities before taxation		(1,077)	(1,044)
Taxation	7	<u>(126)</u>	<u>-</u>
Loss for the financial year		<u>(1,203)</u>	<u>(1,044)</u>

The notes on pages 9 to 15 form part of these financial statements.

All activities derive from continuing operations.

There are no recognised gains or losses other than those reported above.

Burford Beta Holdings Limited

Registered number 04882988

Consolidated balance sheet

as at 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Current assets			
Current investments	9	391,867	378,698
Stocks	10	15,598	15,520
Debtors: amounts falling due within one year	12	428	248
Cash at bank and in hand		620	444
		408,513	394,910
Creditors: amounts falling due within one year	13	(408,188)	(393,382)
Net current assets		325	1,528
Total assets less current liabilities		325	1,528
Creditors: amounts falling due after more than one year		-	-
Net assets		325	1,528
Capital and reserves			
Called up share capital	16	10	10
Profit and loss account		315	1,518
Equity shareholders' funds		325	1,528

The notes on pages 9 to 15 form part of these financial statements.

For the year ending 31 March 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the board of directors on 18 December 2018 and were signed on its behalf by:


J Gleek
Director

Burford Beta Holdings Limited

Registered number 04882988

Company balance sheet

as at 31 March 2018

	<i>Note</i>	31 March 2018 £000	31 March 2017 £000
Fixed assets			
Investment in subsidiaries	8	-	-
Current assets			
Debtors: amounts falling due after more than one year	11	320	1,527
Creditors: amounts falling due within one year	13	(65)	(119)
Net current assets		255	1,408
Net assets		255	1,408
Capital and reserves			
Called up share capital	15	10	10
Profit and loss account		245	1,398
Equity shareholders' funds		255	1,408

The notes on pages 9 to 15 form part of these financial statements.

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The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the board of directors on 18 December 2018 and were signed on its behalf by:


J Gleek
Director

Burford Beta Holdings Limited

Registered number 04882988

Consolidated cash flow statement

for the year ended 31 March 2018

	31 March 2018 £000	31 March 2017 £000
Cash flows from operating activities		
Loss for the year	(1,203)	(1,044)
Adjustments for:		
Profit on disposal of subsidiary	-	-
Fair value of current investment	(13,169)	(12,125)
Interest paid	14,102	12,989
Interest received	-	-
Tax refunded	-	-
	<u>(270)</u>	<u>(180)</u>
Tax refunded	-	-
(Increase)/decrease in stocks	(78)	(294)
(Increase)/decrease in trade and other debtors	(179)	(210)
Increase/(decrease) in trade and other creditors	424	130
	<u>(103)</u>	<u>(554)</u>
Net cash from operating activities		
Cash flows from investing activities		
Interest received	-	-
	<u>-</u>	<u>-</u>
Net cash from investing activities		
Cash flows from financing activities		
Interest paid	(320)	(274)
Loan drawdown / (repaid)	599	634
	<u>279</u>	<u>360</u>
Net cash from financing activities		
Net decrease in cash and cash equivalents	176	(194)
Cash and cash equivalents at 1 April	444	638
	<u>620</u>	<u>444</u>
Cash and cash equivalents at 31 March		

The notes on pages 9 to 15 form part of these financial statements.

Burford Beta Holdings Limited

Registered number 04882988

Statements of changes in equity

Group	Share capital £000	Profit and loss account £000	Total £000
At 1 April 2017	10	1,518	2,572
Loss for the year	-	(1,203)	(1,044)
Balance at 31 March 2018	10	315	1,528

Company	Share capital £000	Profit and loss account £000	Total £000
At 1 April 2016	10	1,398	2,495
Loss for the year	-	(1,153)	(1,087)
Balance at 31 March 2017	10	245	1,408

Group	Share capital £000	Profit and loss account £000	Total £000
At 1 April 2016	10	2,562	2,572
Loss for the year	-	(1,044)	(1,044)
Balance at 31 March 2017	10	1,518	1,528

Company	Share capital £000	Profit and loss account £000	Total £000
At 1 April 2016	10	2,485	3,258
Loss for the year	-	(1,087)	(763)
Balance at 31 March 2017	10	1,398	2,495

The notes on pages 9 to 15 form part of these financial statements.

Burford Beta Holdings Limited

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Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS102"), and the requirements of the Companies Act 2006.

Going concern

Following a Court of Appeal decision in favour of HMRC, the Group is liable to pay £12.6m for corporation tax and interest relating to a former group undertaking.

The Group's directors believe the going concern basis is appropriate for the following reasons.

The Group completed on the sale of one of its properties and repaid the bank loan in full in May 2018. The directors are confident that the remaining property in the Group can be sold and the cash thereby generated will be sufficient to settle the tax liability.

Also, the Group's directors believe an agreement can be reached with HMRC to defer payment of any tax until sufficient assets are realised. The Group continues to meet its interest payments from existing cash resources.

The directors acknowledge that, at the date of approval of these financial statements, there can be no certainty that the remaining property will be sold within the necessary time frame at their carrying values. Accordingly, the directors consider that these matters represent a material uncertainty that may cast significant doubt upon the Group's and Company's ability to continue as a going concern and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business.

However, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Group financial statements

The consolidated financial statements of the Group incorporate the assets and liabilities of the Company and its subsidiary undertakings and the results for the year when they were part of the Group. Results of the subsidiary and associated companies acquired during the year are included from the date of acquisition. Results of subsidiaries and associates disposed of during the year are included up to the date of disposal.

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account is not presented in respect of the Company.

Turnover

Turnover represents rents receivable during the year (all excluding value added tax), plus proceeds from the sale of trading properties.

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Notes continued

1. Accounting policies continued

Recognition of profits

Purchases and sales of property stock are accounted for upon completion of contracts.

Taxation

The charge for taxation is based on profit for the year and takes into account taxation due to timing differences between the treatment of certain items for taxation and accounting purposes.

Stocks

Properties held for resale are valued at the lower of cost and net realisable value, which is based on the estimated selling price less costs expected to be incurred prior to completion and disposal.

Investment

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any impairment in value.

Cash and bank

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Dividends on shares presented within equity

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

2. Turnover

	31 March 2018 £000	31 March 2017 £000
Sale of trading property	-	-
Rental income	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

All activity is carried out within the United Kingdom.

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Notes continued

3. Cost of sales

	31 March 2018 £000	31 March 2017 £000
Cost of trading property	-	-
Direct property costs	18	16
	<u>18</u>	<u>13</u>

4. Staff numbers and costs

The average number of persons employed by the Group (excluding directors) during the year was nil (2017: nil). No director received any remuneration from the Group during the current year or the preceding year.

5. Interest payable and similar charges

	31 March 2018 £000	31 March 2017 £000
Interest payable to former group undertaking	13,782	12,735
On bank loans and overdrafts repayable within five years	267	207
Bank charges and finance fees	53	47
Interest on overdue corporation tax	-	-
	<u>14,102</u>	<u>12,989</u>

6. Loss on ordinary activities before taxation

a. Loss on ordinary activities is stated after charging:

	31 March 2018 £000	31 March 2017 £000
Auditor's remuneration for audit services to the Group	-	25
Amounts paid to First Management Services Limited in respect of management fees, including directors' services	100	100

The Group was exempt from audit in the current year and prior year. Auditor's remuneration of £25k underprovided for 2016 in respect of audit services relating to the Company is included in 2017. There were no other fees paid to the auditor for other services in 2017.

b. Directors' interest in the shares of the Company

J Gleek is a director of J Gleek Properties Limited, which owns 64,935 Ordinary "A" £1 shares of the Company (2016: 64,935 Ordinary "A" £1 shares).

RJ Anderson is a director of Jamed Properties Limited, which owns 64,935 Ordinary "A" £1 shares of the Company (2016: 64,935 Ordinary "A" £1 shares).

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Notes continued

7. Taxation

	31 March 2018 £000	31 March 2017 £000
Taxation based on loss for the year:		
UK Corporation tax	126	-
Prior year over provision	-	-
Tax on operating activities	126	-

Factors affecting tax charge for the year:

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	31 March 2018 £000	31 March 2017 £000
Loss on ordinary activities before taxation	(1,077)	(1,044)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	(205)	(209)
<i>Effects of:</i>		
Tax relief on loss not provided	205	209
Crystallisation of CGT rolled over	126	-
Over provision of tax in prior years	-	-
Tax debit / (credit) in the financial statements	126	-

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

8. Investments

	Company	
	31 March 2017 £	31 March 2016 £
At cost:		
Investment in Burford Alpha Limited	1	1

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Notes continued

9. Current investments

	Group	
	31 March 2018 £000	31 March 2017 £000
At fair value:		
Investment in Burford Epsilon (in Administration)	<u>391,867</u>	<u>378,698</u>

The Group owns the entire share capital of Burford Epsilon, a company registered in England and Wales whose only issued share capital is ordinary share capital. During the year to March 2016 the company went into administration and was accordingly reclassified from a group company to a current investment at fair value.

10. Stocks

	Group	
	31 March 2018 £000	31 March 2017 £000
Trading properties	<u>15,598</u>	<u>15,520</u>

11. Debtors: amounts falling due after more than one year

	Group		Company	
	31 March 2017 £000	31 March 2016 £000	31 March 2018 £000	31 March 2017 £000
Amounts owed by subsidiaries	<u>-</u>	<u>-</u>	<u>320</u>	<u>1,527</u>

Amounts owed by fellow subsidiaries have no fixed repayment terms, are unsecured, and paid interest at the average rate of 8% (2017: 8%).

12. Debtors: amounts falling due within one year

	Group		Company	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Other debtors	360	27	-	-
Prepayments and accrued income	<u>68</u>	<u>221</u>	<u>-</u>	<u>-</u>
	<u>428</u>	<u>248</u>	<u>-</u>	<u>-</u>

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Notes continued

13. Creditors: amounts falling due within one year

	Group		Company	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Corporation tax	126	-	-	-
Trade creditors	399	100	-	-
Other creditors	55	-	-	-
Amount owed to former subsidiary	404,486	390,706	-	-
Accruals and deferred income	67	120	65	119
Bank loans	3,056	2,456	-	-
	408,188	393,382	65	119

14. Borrowings

	Group		Company	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
In one year or less	3,056	2,456	-	-
Between one and two years	-	-	-	-
	3,056	2,456	-	-

In December 2017 the bank loan with a fellow group undertaking was refinanced with a facility of £3m repayable by December 2018. In May 2018, following the completion on the sale of a property by the Group, the bank loan was repaid in full.

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Notes continued

15. Share capital

	31 March 2018 £	31 March 2017 £
Allotted, called up and fully paid		
333,000 ordinary A shares of 1p each (2017: 333,000 ordinary A shares of 1p each)	3,330	3,330
333,000 ordinary B shares of 1p each (2017: 333,000 ordinary B shares of 1p each)	3,330	3,330
333,000 ordinary C shares of 1p each (2017: 333,000 ordinary C shares of 1p each)	3,330	3,330
	<hr/> 9,990	<hr/> 9,990

16. Principal subsidiary undertakings

The subsidiary undertakings, all of which are 100% owned by Burford Beta Holdings Limited or a subsidiary undertaking of Burford Beta Holdings Limited are registered in England and Wales and are as follows:

Principal subsidiary undertakings	Activity
Burford Alpha Limited	Intermediate holding company
Burford Beta Limited	Intermediate holding company
Burford Delta Limited	Property trading
Burford Zeta	Intermediate holding company
Hooton Industrial Projects Limited	Property development

The only issued share capital of each subsidiary is ordinary share capital.

17. Related party transactions

During the year £100,000 (2017: £100,000) was paid by the Group to First Management Services Limited in respect of management fees. During the year Mr Anderson and Mr Gleek were directors of Burford Beta Holdings Limited and First Management Services Limited. No amounts were outstanding at the year end (2017: £nil).

18. Post balance sheet events

In May 2018 the Group completed on the sale of one of its properties.

In December 2017 the bank loan with a fellow group undertaking was refinanced with a facility of £3m repayable by December 2018. In May 2018, following the completion on the sale of a property by the Group, the bank loan was repaid in full.