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Company Number: 5031316

Mitre Bridge Partnership Limited

Report and Financial Statements

Period Ended

31 October 2007

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BDO Stoy Hayward
Chartered Accountants

MITRE BRIDGE PARTNERSHIP LIMITED

Annual report and financial statements for the year ended 31 October 2007

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Directors

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Directors

D J Williams, MRICS
M J Rickards FRICS
S B Jones

Secretary and registered office

M J Rickards, Suite 1, Silwood Business Park, Buckhurst Rd, Ascot, Berkshire, SL5 7PW

Company number

5031316

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

MITRE BRIDGE PARTNERSHIP LIMITED

Report of the directors for the year ended 31 October 2007

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

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year

The directors do not recommend the payment of a dividend for the year

Principal activities

The principal activity of the company is investment in commercial properties for letting and development of and dealing in commercial property

Directors

The directors of the company during the period were

D J Williams
M J Rickards
S B Jones

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 period 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 period. 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

MITRE BRIDGE PARTNERSHIP LIMITED

Report of the directors for the year ended 31 October 2007 *(Continued)*

Directors' responsibilities *(Continued)*

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.

Auditors

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.

The directors appointed BDO Stoy Hayward LLP as auditors during the period. A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

In preparing this report, the director has taken advantage of special exemptions applicable to small companies conferred by part VII of the Companies Act 1985.

By order of the Board



M J Rickards
Secretary

27 AUGUST 2008

MITRE BRIDGE PARTNERSHIP LIMITED

Independent Auditor's Report To The Shareholders Of Mitre Bridge Partnership Limited

We have audited the financial statements of Mitre Bridge Partnership Limited for the year ended 31 October 2007 which comprise of 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 Director's 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 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 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.

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 October 2007 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
Epsom, Surrey

28 AUGUST 2008

MITRE BRIDGE PARTNERSHIP LIMITED**Profit and loss account for the year ended 31 October 2007**

	Note	2007 £	2006 £
Turnover	2	529,438	493,588
Other income		63,738	-
Administrative expenses		(71,973)	(82,677)
Operating profit	5	521,203	410,911
Interest receivable and similar income		6,806	-
Interest payable and similar charges	6	(322,449)	(296,814)
Profit on ordinary activities before taxation		205,560	114,097
Taxation on profit from ordinary activities	7	76,195	8,182
Profit on ordinary activities after taxation		129,365	105,915

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

There are no movements in shareholders' funds in the current year or prior year apart from the profit for the year

All amounts relate to continuing activities

The notes on pages 6 to 11 form part of these financial statements

MITRE BRIDGE PARTNERSHIP LIMITED

Balance sheet at 31 October 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	8		8,500,000		8,500,000
Current assets					
Debtors	9	108,954		93,588	
Cash at bank and in hand		194,009		44,059	
Net current assets		302,963		137,647	
Creditors: amounts falling due within one year	10	(1,507,711)		(1,471,760)	
Net current liabilities			(1,204,748)		(1,334,113)
Total assets less current liabilities			7,295,252		7,165,887
Creditors: amounts falling due after more than one year	11		(4,800,000)		(4,800,000)
Net assets			2,495,252		2,365,887
Capital and reserves					
Called up share capital	12		100		100
Revaluation reserve	13		2,300,000		2,300,000
Profit and loss account	13		195,152		65,787
Shareholders' funds	13		2,495,252		2,365,887

The financial statements were approved by the Board and authorised for issue on 27th August 2008



M J Rickards
Director

The notes on pages 6 to 11 form part of these financial statements

MITRE BRIDGE PARTNERSHIP LIMITED

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

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of properties held as fixed assets, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Properties held as fixed assets

Investment properties are classified as fixed assets.

Completed investment properties are valued annually by the directors on an open market basis.

Surpluses and deficits on revaluations are taken to a non-distributable revaluation reserve. If a property held as a fixed asset is sold, the difference between sales proceeds and balance sheet value is treated as a profit or loss in the current period's profit and loss account, and the previous revaluation surplus or deficit is reclassified under distributable reserves.

Acquisitions and disposals of properties

Acquisitions and disposals of commercial properties are considered to have taken place where (even if legal completion has not taken place) there is a legally binding, unconditional and irrecoverable contract, and provided that the properties being sold are substantially complete.

Turnover

Turnover represents rental income and ground rent.

Depreciation

Depreciation on investment properties has been taken into consideration in the annual revaluations and therefore has not been charged in the profit and loss account. This complies with the Standard Statement of Accounting Practice SSAP 19 and although it is contrary to the Companies Act 1985, the directors consider the accounts show a true and fair view. The amount of depreciation has not been quantified, as it is only one of many factors included in the valuation.

MITRE BRIDGE PARTNERSHIP LIMITED

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

1 Accounting policies (*Continued*)

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 the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

Deferred tax balances are not discounted

2 Turnover

	2007 £	2006 £
The turnover comprises		
Rental income and ground rents	529,438	493,588

Turnover arises in the United Kingdom and is wholly attributable to the company's principal activities

3 Employees

The average number of employees, including directors, during the period was Nil (2006 – Nil)

4 Directors

The directors received no remuneration for services to this company during the period (2006 – Nil)

MITRE BRIDGE PARTNERSHIP LIMITED

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

5 Operating profit

Auditors remuneration for both years has been borne by the ultimate parent company, Stockbourne Group Limited and is not separately quantifiable

6 Interest payable and similar charges

	2007 £	2006 £
Bank interest	322,449	296,814

7 Taxation on profit from ordinary activities

	2007 £	2006 £
<i>Current tax - UK</i>		
UK corporation tax on profits for the year	79,195	8,182
Adjustment in respect prior periods	(3,000)	-
	<u>76,195</u>	<u>8,182</u>
Tax on profit on ordinary activities	76,195	8,182

The tax assessed for the current and previous year differs from the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	205,560	114,097
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 - 30%)	61,668	34,229
Expenses not deductible for tax purposes	17,527	10,638
Group relief	-	(36,685)
Prior period adjustment	(3,000)	-
	<u>76,195</u>	<u>8,182</u>

No provision has been made for deferred taxation on gains recognised on revaluing the company's freehold property to its market value. Such tax would only become payable if the property were sold. The total unprovided amount is £644,000 (2006 - £690,000), which has been calculated by multiplying the revaluation gain of £2,300,000 by the standard rate of corporation tax of 28% (2006 - 30%)

MITRE BRIDGE PARTNERSHIP LIMITED

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

8 Fixed assets

	Investment Property £
<i>Valuation</i>	
At 31 October 2006 and at 31 October 2007	8,500,000
<i>Net book value</i>	
At 31 October 2006 and at 31 October 2007	8,500,000

The investment property was revalued on 31 October 2005 on the basis of a director's assessment of open market value. Based on a further review at 31 October 2007, no adjustment to this valuation is deemed necessary. The historical cost of the property is £6,200,000.

9 Debtors

	2007 £	2006 £
Trade Debtors	82,876	-
Other Debtors	1,587	93,588
Other taxation and social security	24,491	-
	<u>108,954</u>	<u>93,588</u>

10 Creditors: amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	1,228,500	1,228,500
Trade creditors	19,530	-
Corporation tax	-	8,182
Other taxation and social security	79,195	16,065
Other Creditors (Simon Jones)	83,902	85,077
Accruals and deferred income	96,584	133,936
	<u>1,507,711</u>	<u>1,471,760</u>

MITRE BRIDGE PARTNERSHIP LIMITED

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

11 Creditors: amounts falling due after one year

	2007 £	2006 £
Bank loan	4,800,000	4,800,000

The bank loan is payable after 5 years and is secured against the property at an interest rate of 5.56%

12 Share capital

	Authorised 2007 Number	2006 Number	Allotted, called up & fully paid 2007 Number	2006 Number
Ordinary shares of £1 each	100	100	100	100

	Authorised 2007 £	2006 £	Allotted, called up & fully paid 2007 £	2006 £
Ordinary shares of £1 each	100	100	100	100

13 Combined reconciliation of movements in shareholders' funds and statements of movements on reserves

	Share capital £	Revaluation reserve £	Profit and loss account £	Total 2007 £	Total 2006 £
At 1 November	100	2,300,000	65,787	2,365,887	2,259,972
Profit for the year	-	-	129,365	129,365	105,915
At 31 October	100	2,300,000	195,152	2,495,252	2,365,887

MITRE BRIDGE PARTNERSHIP LIMITED

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

14 Related party transactions

Name of related Company	Relationship to related company	Nature of each type of transaction	Total transactions 2007 £	Total transactions 2006 £	Balance outstanding 2007 £	Balance outstanding 2006 £
Stockbourne Group Ltd	Group company	Loan payment	-	154,237	(1,150,763)	(1,150,763)
Knowle Hill Properties Ltd	Group company	Loan payment	-	(77,737)	(77,737)	(77,737)

15 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements" not to prepare a cash flow statement as it is a 'small' company under the Companies Act 1985

16 Ultimate parent company

At 31 October 2007 the ultimate parent company is Stockbourne Group Limited, a company incorporated in the United Kingdom

The company is a 90% owned subsidiary of Dencora Properties Limited, the parent company of the smallest group of which the company is a member

17 Post balance sheet events

In November 2007, a fire destroyed Unit 22 of the Mitre Bridge Industrial Estate. The costs of demolition and rebuilding the unit, along with the lost rental income are covered by insurance