

**Company Registration No. 05250011  
(England and Wales)**

**Bagnall Court Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2021**



## **Bagnall Court Limited**

### **Company Information**

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<b>Directors</b>	Bridges Fund Management Limited S Cox OBE
<b>Company number</b>	05250011
<b>Registered office</b>	38 Seymour Street London W1H 7BP
<b>Independent auditor</b>	BSG Valentine (UK) LLP Chartered Accountants & Statutory Auditor Lynton House 7 - 12 Tavistock Square London WC1H 9BQ

## **Bagnall Court Limited**

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## **Bagnall Court Limited**

### **Directors' Report for the year ended 31 December 2021**

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The directors present their annual report and the audited financial statements of Bagnall Court Limited ("the company") for the year ended 31 December 2021.

#### **Principal activity**

The principal activity of the company is property investment.

#### **Directors**

The directors who served during the year and subsequently were:

- Bridges Fund Management Limited
- S Cox OBE

#### **Auditor**

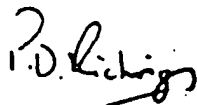
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board and signed on its behalf by:



**P D Richings**

**Director on behalf of Bridges Fund Management Limited**

**27 September 2022**

## **Bagnall Court Limited**

### **Statement of Directors' Responsibilities for the year ended 31 December 2021**

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The directors are responsible for preparing the Annual 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 year.

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.

## **Bagnall Court Limited**

### **Independent Auditor's Report for the year ended 31 December 2021**

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#### **Opinion**

We have audited the financial statements of Bagnall Court Limited ('the company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter**

We draw attention to note 3 to the financial statements which explains that the Directors intend to sell the investment property and to liquidate the company. They therefore do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 3. Our opinion is not modified in respect of this matter.

#### **Other Information**

The Other Information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the Other Information. Our opinion on the financial statements does not cover the Other Information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

## **Bagnall Court Limited**

### **Independent Auditor's Report for the year ended 31 December 2021 (continued)**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

## **Bagnall Court Limited**

### **Independent Auditor's Report for the year ended 31 December 2021 (continued)**

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The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. Our procedures included enquiry of management and performing analytical review procedures to identify any unusual relationships that may indicate a material misstatement. We also tested the appropriateness of journals to address the risk of fraud through management override of controls. We reviewed the valuation of the company's investment property to determine if there were any indications of management bias. Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.

*BSG Valentine (UK) LLP*

Gary Allen FCA (Senior Statutory Auditor)

For and on behalf of  
BSG Valentine (UK) LLP  
Chartered Accountants & Statutory Auditor  
Lynton House  
7-12 Tavistock Square  
London WC1H 9BQ

*27/9/2022*



**Bagnall Court Limited****Statement of Comprehensive Income for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Turnover		801,236	776,873
Administrative expenses		(41,635)	(56,531)
Fair value loss on investment property		-	(154,583)
<b>Operating profit</b>	<b>5</b>	<b>759,601</b>	<b>565,759</b>
Interest payable and similar expenses		(1,045,962)	(1,016,738)
Other interest receivable and similar income		710	2,015
<b>Loss on ordinary activities before tax</b>		<b>(285,651)</b>	<b>(448,964)</b>
Tax on result on ordinary activities	<b>10</b>	12,740	(31,576)
<b>Retained loss for the year and total comprehensive income</b>		<b>(272,911)</b>	<b>(480,540)</b>

All of the company's operations are classed as continuing.

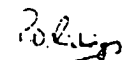
The notes on pages 10 to 13 form an integral part of these financial statements.

**Bagnall Court Limited**  
**Statement of Financial Position as at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investment property	6	7,220,000	7,220,000
<b>Current assets</b>			
Debtors	7	65,356	66,094
Cash at bank and in hand		252,306	191,114
Cash at bank – non-current	12	799,037	719,744
		<u>1,116,699</u>	<u>976,952</u>
<b>Creditors: amounts falling due within one year</b>	8	(14,642,132)	(8,181,631)
<b>Net current liabilities</b>		<u>(13,525,433)</u>	<u>(7,204,679)</u>
<b>Total assets less current liabilities</b>		<u>(6,305,433)</u>	<u>15,321</u>
<b>Creditors: amounts falling due after more than one year</b>	9	-	(6,047,843)
<b>Net liabilities</b>		<u>(6,305,433)</u>	<u>(6,032,522)</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Investment property reserve		(2,592,999)	(2,592,999)
Profit and loss account		(3,712,534)	(3,439,623)
<b>Shareholder's funds</b>		<u>(6,305,433)</u>	<u>(6,032,522)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements of Bagnall Court Limited (registered number 05250011) were approved by the Board of Directors and authorised for issue on 27 September 2022.



**P D Richings**  
**Director on behalf of Bridges Fund Management Limited**

The notes on pages 10 to 13 form an integral part of these financial statements

# **Bagnall Court Limited**

## **Notes to the financial statements for the year ended 31 December 2021**

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### **1. General information**

Bagnall Court Limited is a private company limited by shares, registered in England and Wales under the Companies Act 2006 (Registered Number 05250011). The address of the registered office is 38 Seymour Street, London, W1H 7BP.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

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

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the company.

#### ***Going concern***

The company is dependent on the continuing support of a related party in respect of a £6.5m loan. The directors have received confirmation of ongoing support from the related party.

The company is in breach of a loan covenant in respect of a bank loan of £7.5m. The lender has currently provided an extension until the end of October 2022. The company continues to make loan repayments and anticipates the sale of the investment property before the end of October 2022, which will enable it to settle the outstanding bank loan. It is then the directors' intention that the company will settle its other liabilities and be liquidated. Given the intention to liquidate, the directors consider that the company is no longer a going concern. The financial statements are therefore prepared on a basis other than going concern. No material adjustments have arisen from ceasing to adopt the going concern basis of preparation.

#### ***Critical accounting judgements and key sources of estimation uncertainty***

In the application of the company's accounting policies, which are described in this Note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The directors deem the key area of judgement and estimation to be the fair value of the investments included in the Statement of Financial Position. Please see Note 6 for further details.

The directors do not believe that at the reporting date there exist any other key assumptions.

#### ***Cash Flow Statement***

In accordance with Section 1A of Financial Reporting Standard 102, the company has not prepared a cash flow statement, on the grounds that it qualifies as a small company.

#### ***Statement of Changes in Equity***

In accordance with Section 1A of Financial Reporting Standard 102, the company has not prepared a Statement of Changes in Equity, on the grounds that it qualifies as a small company.

#### ***Revenue recognition***

The rental income of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom, and is stated net of Value Added Tax. The rental income is recognised on an accruals basis as rent becomes due in accordance with the lease.

## Bagnall Court Limited

### Notes to the financial statements for the year ended 31 December 2021 (*continued*)

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#### 3. Accounting policies (*continued*)

##### **Administrative expenses**

Expenses are accounted for on an accruals basis and charged through the Statement of Comprehensive Income.

##### **Corporation tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in Statement of Comprehensive Income, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, tax is recognised in Other Comprehensive Income or directly in equity, respectively.

##### **Fixed assets**

All fixed assets are initially recorded at cost.

##### **Investment property**

Investment property is shown at its fair value at each reporting date. The surplus or deficit arising from periodic revaluations is recognised in the Statement of Comprehensive Income for the year.

##### **Financial instruments**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Cost of loan finance**

The costs associated with raising loan finance are capitalised and offset against the related loan balance. These costs are amortised to the Statement of Comprehensive Income over the life of the loan.

#### 4. Directors and employees

No remuneration was paid to the directors by the company (2020: £nil). The company had no employees (2020: nil).

#### 5. Operating profit

Operating profit is stated after charging:

	2021 £	2020 £
Auditor's fees	<u>5,160</u>	<u>5,160</u>

## Bagnall Court Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 6. Investment property

The valuation represents the directors' best estimate of the fair value of the property as at 31 December 2021 and reflects a valuation undertaken by an external qualified Chartered Surveyor as at July 2020.

	2021 £	2020 £
Fair value brought forward	7,220,000	7,374,583
Revaluation movement during the year	-	(154,583)
Fair value carried forward	<u>7,220,000</u>	<u>7,220,000</u>

The directors have made a significant judgement in the valuation of the investment property as at 31 December 2021. At that date negotiations had started with the current tenant regarding a new lease, which remain ongoing at present. The directors anticipate a significant increase in value based on the draft lease terms. However, given that the lease renewal remains uncertain, and the early stage of negotiations as at the balance sheet date, the directors consider that the fair value at 31 December 2020 remains appropriate. The estimated market value with vacant possession should the new lease not be agreed is £6.7m.

#### 7. Debtors

	2021 £	2020 £
Accrued income	61,062	62,484
Prepayments	<u>4,295</u>	<u>3,610</u>
	<u>65,357</u>	<u>66,094</u>

#### 8. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	7,536,957	7,640,092
Amounts owed to group undertakings	6,546,380	-
Trade creditors	24,470	11,325
Accruals and deferred income	493,874	461,000
Corporation Tax	<u>40,451</u>	<u>69,214</u>
	<u>14,642,132</u>	<u>8,181,631</u>

The following liabilities disclosed under Creditors: amounts falling due within one year are secured by the company:

	2021 £	2020 £
Bank loans including accrued interest and exit fees	<u>8,022,653</u>	<u>8,087,762</u>

Bank loans are secured by a fixed charge over the investment property and by a debenture over the company's other assets.

## Bagnall Court Limited

### Notes to the financial statements for the year ended 31 December 2021 (*continued*)

#### 9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	-	6,047,843
	<u>-</u>	<u>6,047,843</u>

#### 10. Taxation

	2021 £	2020 £
<b>Current tax:</b>		
UK current tax expense	40,451	31,576
Adjustments in respect of prior periods	<u>(53,191)</u>	<u>-</u>
Tax on result on ordinary activities	<u>(12,740)</u>	<u>31,576</u>

#### 11. Related party transactions

At the year end, the company owed £6,546,380 (2020: £6,047,843) to its shareholder in relation to a loan. Included within interest payable is an amount of £498,536 (2020: £460,571) in respect of that loan.

Monitoring fees of £7,200 (2020: £7,200) are included within Administrative Expenses, which are payable to the ultimate controlling party. As at the year end, £17,418 of monitoring fees were unpaid (2020: £10,210).

#### 12. Ultimate holding and controlling parties

The immediate parent undertaking is Bridges Community Ventures Nominees Limited, on behalf of Bridges Community Development Venture Fund II LP.

In the opinion of the directors, the immediate controlling party is Bridges CDV Fund II (General Partner) Limited, and the ultimate controlling party is Bridges Fund Management Limited.

#### 13. Cash at bank

Cash at bank includes restricted amounts of £799,037 which are held in a bank deposit account and may only be used for large building works, settling future Corporation Tax liabilities and other administrative expenses, or for settling the company's loan borrowings, until the bank loan is repaid.

#### 14. Subsequent events

The leases with the company's tenant were due to expire in July 2022 but have been extended post year end to 5 January 2023.