

BESTSHARE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009

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BESTSHARE LIMITED

COMPANY INFORMATION

DIRECTORS

Mr D J Carr
Mr G Hesse

COMPANY SECRETARY

Ms S A Hesse

COMPANY NUMBER

06040780

REGISTERED OFFICE

18-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

AUDITOR

FW Stephens
Chartered Accountants and Registered Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX

BESTSHARE LIMITED

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BESTSHARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

The directors present their report and the financial statements for the year ended 31 January 2009.

PRINCIPAL ACTIVITIES

The company's principal activity is that of property dealing.

DIRECTORS

The directors who served during the year were:

Mr D J Carr
Mr G Hesse

AUDITOR

The auditor, FW Stephens, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 proper accounting records that 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 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

BESTSHARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2009**

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

This report was approved by the board on 19th November 2009 and signed on its behalf.



Mr D J Carr
Director

BESTSHARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BESTSHARE LIMITED

We have audited the financial statements of Bestshare Limited for the year ended 31 January 2009, set out on pages 5 to 9. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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 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.

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.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 January 2009 and of its loss 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.

BESTSHARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BESTSHARE LIMITED

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the company's ability to continue as a going concern. At 31 January 2009, the company's current liabilities exceeded its total assets by £944,797 (2008: £344,064) and included within current liabilities is an amount due to its parent company in the sum of £3,597,507 (2008: £3,401,191). The directors of the parent company have given an undertaking that they will not seek repayment of the inter-group liability until the company has sufficient cash reserves and that they will also continue to provide financial support. However, the financial support provided by the parent company is financed by bank loans provided by its bankers who are currently in administration and this has placed uncertainty over the parent company's ability to continue to provide this support.

**FW STEPHENS**

Chartered Accountants and Registered Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date: 26 November 2009

BESTSHARE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2009**

		Year ended 31 January 2009 £	<i>Period ended 31 January 2008 £</i>
	Note		
Cost of sales		(597,224)	(339,945)
GROSS LOSS		(597,224)	(339,945)
Administrative expenses		(3,509)	(4,120)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(600,733)	(344,065)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR	8	(600,733)	(344,065)

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

BESTSHARE LIMITED
REGISTERED NUMBER: 06040780

BALANCE SHEET
AS AT 31 JANUARY 2009

	Note	£	2009 £	£	2008 £
CURRENT ASSETS					
Stocks	4	2,750,000		3,059,508	
Debtors	5	1,745		557	
		<u>2,751,745</u>		<u>3,060,065</u>	
CREDITORS: amounts falling due within one year	6	<u>(3,696,542)</u>		<u>(3,404,129)</u>	
NET CURRENT LIABILITIES			<u>(944,797)</u>		<u>(344,064)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(944,797)</u>		<u>(344,064)</u>
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Profit and loss account	8		<u>(944,798)</u>		<u>(344,065)</u>
SHAREHOLDERS' DEFICIT			<u>(944,797)</u>		<u>(344,064)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

19 NOVEMBER 2009



Mr D J Carr
Director

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

BESTSHARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2009

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company is dependent on the continued support of its parent company who have given an undertaking not to seek repayment of its intercompany loan of £3,597,507 (2008: £3,401,191) until the company has sufficient cash reserves. They have also given an undertaking to continue to provide financial support.

The parent company has financed the intercompany loan by bank borrowings, the cost of which is recharged to the company, and its bankers Kaupthing Singer & Friedlander (in administration) have intimated that it is not their intention to seek repayment of the facilities until 31 July 2010 subject to certain covenants being met. The parent company directors consider that they can meet these covenants and are confident that they will be able to secure alternative bank facilities on the expiration of the existing facilities on 31 July 2010. The directors therefore consider that the parent company is in a position to continue to provide this support.

The directors have also reviewed the projections and forecasts for the foreseeable future and are of the opinion that the income generated from the property owned by the company is sufficient to service the loan interest charged by the parent company and other expenses incurred.

Accordingly the directors are of the opinion that the financial statements are properly prepared on the going concern basis.

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods supplied, exclusive of Value Added Tax and trade discounts.

1.3 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs, together with capitalised interest cost and an appropriate proportion of fixed and variable overheads.

2. LOSS

The loss is stated after charging:

	Year ended 31 January 2009 £	Period ended 31 January 2008 £
Auditors' remuneration	2,951	2,938

During the year, no director received any emoluments (2008 - £NIL).

BESTSHARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2009**

3. TAXATION

On the basis of these financial statements, no provision has been made for a Corporation Tax charge.

4. STOCKS

	2009	2008
	£	£
Property	2,750,000	3,059,508

The property included within stocks is secured on a loan provided to Linkready Properties Limited, the parent company. The total value of this loan as at the year end was £6,540,348.

5. DEBTORS

	2009	2008
	£	£
Other debtors	1,745	557

**6. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Amounts owed to group undertakings	3,597,507	3,401,191
Other creditors	99,035	2,938
	3,696,542	3,404,129

7. SHARE CAPITAL

	2009	2008
	£	£
AUTHORISED		
1,000 Ordinary shares of £1 each	1,000	1,000
ALLOTTED, CALLED UP AND PARTLY PAID		
1 Ordinary share of £1	1	1

BESTSHARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2009**

8. RESERVES

	Profit and loss account £
At 1 February 2008	(344,065)
Loss for the year	(600,733)
At 31 January 2009	<u>(944,798)</u>

9. RELATED PARTY TRANSACTIONS

During the year, the parent company, Linkready Properties Limited, met expenses totalling £25,376 on behalf of the company, recharged interest of £265,937, and received repayments of £94,997. At the year end, the company owed £3,597,507 to Linkready Properties Limited (2008: £3,401,191), the balance of which is included within note 6.

10. POST BALANCE SHEET EVENTS

The company's stock was sold after the year end at a loss of £1,117,112, of which a third party shares 50%. The directors are of the opinion that the financial statements have been properly prepared on the going concern basis because the company is continuing to actively look for further property dealings.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate holding company is Linkready Properties Limited which controls 100% of the issued share capital.

The company regards Mr G Hesse, a director, and Mr R Collins as the ultimate controlling parties.