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Warnford Investments Holdings Limited

Report and Financial Statements

Year Ended

31 December 2010

Company Number 6057259

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Warnford Investments Holdings Limited

Report and financial statements for the year ended 31 December 2010

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Directors (* Non executive)

L Sebba
R H Ashby
B C Davis
N R Hunter-Jones*
D J Price*
R M Kearsey*

Secretary and registered office

B C Davis, 465 Salisbury House, London Wall, London, EC2M 5RQ

Company number

6057259

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Subsidiary companies as at 31 December 2010

Evos Limited
Warnbridge Properties Limited
Warnford Investments Limited
Warnford Properties Limited

Warnford Investments Holdings Limited

Report of the directors for the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

The directors do not recommend a final ordinary dividend. Interim dividends of £6,936,034 (2009 - £960,227) have already been declared in respect of the year.

Principal activities, trading review and future developments

Throughout the year the principal activity of the Company was that of a holding company. The principal activities of the Group were related to advancing funds to related companies and property investment.

Operating profit increased during the year mainly because of an increase in rental income and a reduction in property outgoings offset by an increase in administrative expenses.

The Group charges interest on advances to its related companies and has been charged interest on advances made to it by its related companies (see note 25). Interest charges on these advances are calculated by reference to bank base rate. The amount both due to and from related companies reduced in the year which led to a lower level of both interest receivable and payable.

The value of the Group's properties increased by 7.2% during the year.

The directors expect the Group to continue its principal activities for the foreseeable future.

Principal risks and uncertainties

The Group's financial performance is exposed to the risk of reduced interest rates, adverse movements in rent levels and investment yields and the failure of tenants to meet their lease obligations. The directors ensure that the Group's property is maintained to a standard appropriate to its type and location so as to minimise the risk of reduced rental income and decreased property values. In addition, depending on market conditions and the nature of the letting, leases are generally granted on a five yearly, upward only, review pattern. Careful consideration is given to the quality of the covenant of prospective tenants before leases are granted and credit control is closely monitored and action taken, as and when appropriate, to ensure that large outstanding balances do not arise. The directors also keep the financial position of the related companies to which it has advanced funds under review to ensure that they are able to meet their commitments to the Group. Interest charged on advances to Warnford Investments Limited and on advances by Warnford Investments Limited are linked to base rate to ensure that a market rate is obtained.

Financial instruments – risk management

The Group has no borrowings and has lent funds to its related companies and borrowed funds from its subsidiary and related companies at commercial rates of interest. Neither the Company nor the Group has entered into any derivative contracts.

Post balance sheet events

On 25 January 2011, the group disposed of its investment property at Hayes for £3.8m.

Warnford Investments Holdings Limited

Report of the directors for the year ended 31 December 2010 (continued)

Charitable and political contributions

There were no charitable or political contributions (2009 – £nil)

Directors

The directors of the company during the year were

L Sebba
R H Ashby
A M M Ross (resigned 16 June 2010)
B C Davis
N R Hunter-Jones
D J Price
R M Kearsey

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and exist at the date of this report

Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the group and company 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 group and company and of the profit or loss of the group 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 accounting 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,
- 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.

Warnford Investments Holdings Limited

Report of the directors for the year ended 31 December 2010 (*continued*)

Auditors

All of 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.

By order of the Board

A handwritten signature in black ink, appearing to be 'B C Davis', followed by a horizontal line.

B C Davis
Secretary

Date 23 March 2011

Warnford Investments Holdings Limited

Independent auditor's report

TO THE MEMBERS OF WARNFORD INVESTMENTS HOLDINGS LIMITED

We have audited the financial statements of Warnford Investments Holdings Limited for the year ended 31 December 2010 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profits and losses, the consolidated and company reconciliation of movements in shareholders' funds, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, 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 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

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.


Warnford Investments Holdings Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



James Roberts (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 23 March 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Warnford Investments Holdings Limited

Consolidated profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	997,033	940,789
Ground rents and other property outgoings		(40,524)	(66,343)
Gross profit		956,509	874,446
Administrative expenses		(272,458)	(235,336)
Operating profit	5	684,051	639,110
Interest receivable	4	578,450	922,272
Interest payable	4	(27,630)	(95,878)
Profit on ordinary activities before taxation		1,234,871	1,465,504
Taxation on profit from ordinary activities	7	(341,912)	(408,250)
Profit on ordinary activities after taxation		892,959	1,057,254
Minority interests	8	6	19
Profit after tax attributable to members of Warnford Investments Holdings Limited	22	892,965	1,057,273

The results as reflected in the consolidated profit and loss account relate to continuing operations

The notes on pages 12 to 22 form part of these financial statements

Warnford Investments Holdings Limited

Consolidated statement of total recognised gains and losses, note of historical cost profits and losses and reconciliation of movements in shareholders' funds for the year ended 31 December 2010

	Note	2010 £	2009 £	
Consolidated statement of total recognised gains and losses				
Profit for the financial year		892,959	1,057,273	
Surplus on revaluation of investment properties	19	1,049,778	1,241,605	
Unclaimed dividends due by subsidiary to minority interest written back		222	222	
Exchange gains		12,160	3,711	
		<hr/>	<hr/>	
Total recognised gains and losses in the year		1,955,119	2,302,811	
		<hr/>	<hr/>	
Note of historical cost profits and losses				
		2010 £	2009 £	
Historical cost profit on ordinary activities before taxation		1,234,871	1,465,504	
		<hr/>	<hr/>	
Historical cost profit for the year after taxation and minority interests		892,959	1,057,273	
		<hr/>	<hr/>	
Reconciliation of movements in shareholders' funds				
	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Profit for the financial year	892,965	1,057,273	6,956,192	10,955,951
Dividends	(6,936,034)	(960,227)	(6,936,034)	(960,227)
	<hr/>	<hr/>	<hr/>	<hr/>
	(6,043,069)	97,046	20,158	9,995,724
Other recognised gains relating to the year	1,062,160	1,245,538	-	-
Purchase of own shares	-	(10,019,734)	-	(10,019,734)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in shareholders' funds	(4,980,909)	(8,677,150)	20,158	(24,010)
Shareholders' funds at 1 January 2010	55,875,500	64,552,650	42,920	66,930
	<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' funds at 31 December 2010	50,894,591	55,875,500	63,078	42,920

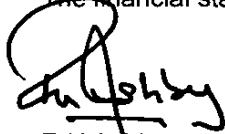
The notes on pages 12 to 22 form part of these financial statements

Warnford Investments Holdings Limited

Consolidated balance sheet at 31 December 2010

Company Number 6057259	Note	2010	2009
		£	£
Tangible fixed assets			
Investment properties	11	15,545,000	14,475,000
Current assets			
Stocks	13	57,897	57,897
Debtors – amounts falling due within one year	14	34,818,182	46,141,778
Cash at bank and in hand		2,426,473	1,124,566
Creditors: amounts falling due within one year	15	37,302,552 (1,949,391)	47,324,241 (5,921,539)
Net current assets		35,353,161	41,402,702
Provision for liabilities and charges	16	(3,069)	(1,695)
Net assets		50,895,092	55,876,007
Capital and reserves			
Called up share capital	17	24,483	24,483
Capital redemption reserve	21	4,444	4,444
Merger reserve	18	1,890,174	1,890,174
Revaluation reserve	19	3,308,993	2,259,215
Other reserve	20	10,646	10,646
Profit and loss account	22	45,655,851	51,686,538
Shareholders' funds		50,894,591	55,875,500
Minority interests		501	507
		50,895,092	55,876,007

The financial statements were approved by the Board and authorised for issue on 23 March 2011


R H Ashby
Director

The notes on pages 12 to 22 form part of these financial statements

Warnford Investments Holdings Limited

Company balance sheet at 31 December 2010

Company Number 6057259	Note	2010 £	2009 £
Fixed assets			
Investments	12	28,927	28,927
Current assets			
Debtors – amounts falling due within one year	14	485,765	17,393
Creditors: amounts falling due within one year	15	(451,614)	(3,400)
Net current assets		34,151	13,993
Net assets		63,078	42,920
Capital and reserves			
Called up share capital	17	24,483	24,483
Capital redemption reserve	21	4,444	4,444
Profit and loss account	22	34,151	13,993
Shareholders' funds		63,078	42,920

The financial statements were approved by the Board and authorised for issue on 23 March 2011



R H Ashby
Director

The notes on pages 12 to 22 form part of these financial statements

Warnford Investments Holdings Limited

Consolidated cash flow statement for the year ended 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
Net cash inflow from operating activities	(a)		711,542		550,688
Returns on investments and servicing of finance					
Interest received		603,068		923,088	
Interest paid		(52,248)		(83,275)	
			550,820		839,813
Taxation					
Corporation tax paid		(366,858)		(570,929)	
Overseas tax received/(paid)		12,731		(1,292)	
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets			(354,127)		(572,221)
			(20,222)		(125,895)
			888,013		692,385
Equity dividends paid					
To members of Warnford Investments Holdings Limited			(6,487,995)		(960,227)
Cash flow before financing			(5,599,982)		(267,842)
Financing					
Repayments from related undertakings		11,361,340		13,001,612	
Advances to related undertakings		(4,459,451)		(4,856,398)	
Repurchase of company's own shares		-		(10,019,734)	
			6,901,889		(1,874,520)
Increase/(decrease) in cash in year	(b)		1,301,907		(2,142,362)

The notes on pages 12 to 22 form part of these financial statements

Warnford Investments Holdings Limited

Notes to the cash flow statement for the year ended 31 December 2010

	2010 £	2009 £
(a) Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	684,051	639,110
Exchange differences	12,160	3,711
(Increase)/decrease in debtors	(39,092)	24,753
Increase/(decrease) in creditors	54,423	(116,886)
	<u>711,542</u>	<u>550,688</u>
(b) Change in cash in year		
Cash at 31 December 2009	1,124,566	3,266,928
Increase/(decrease) in cash in year	1,301,907	(2,142,362)
	<u>2,246,473</u>	<u>1,124,566</u>
Cash at 31 December 2010		

The notes on pages 12 to 22 form part of these financial statements

Warnford Investments Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2010

1 Accounting policies

Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property in accordance with applicable accounting standards. In order to give a true and fair view the company has taken the true and fair override of the Companies Act requirement to depreciate investment properties. Further information is given under the Investment Properties accounting policy below.

The following principal accounting policies have been applied:

Turnover

Turnover represents rents and service charges receivable on leased investment properties.

Basis of consolidation

The consolidated financial statements include the results of the parent company and all of its subsidiary undertakings as at 31 December 2010. The company has acquired its subsidiaries through the issuing of shares.

The financial statements of the overseas subsidiary are translated to sterling at the exchange rates ruling at the balance sheet date and fluctuations on consolidation are taken to reserves (see note 22).

Merger accounting

In the group financial statements merger accounting has been used and the investments have been recorded in the company's balance sheet at the nominal value of the shares issued, in accordance with the provisions of the Companies Act 2006.

Foreign currency

Foreign currency translations are translated into sterling at the rate ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate ruling at the balance sheet date.

Investment properties

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluations is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Refurbishments

Revenue expenditure on the refurbishment of premises is charged to profit as and when incurred.

Operating lease incentives

Amounts granted either by or to the group as incentives to sign operating leases are, where material, spread on a straight-line basis over the shorter of the lease term and the year to the review date on which the rent is first expected to be adjusted to the prevailing market value.

Warnford Investments Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (*continued*)

1 Accounting policies (*continued*)

Profit on sale of investment properties

Profit and losses on the sale of investment properties are taken to the profit and loss account when contracts are unconditionally exchanged

Taxation

The charge for taxation is based upon the profit for the year and takes into account taxation deferred. Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- Deferred tax is not recognised on timing differences arising on revalued properties unless the group has entered into a binding sale agreement, and
- The recognition of deferred tax assets is limited to the extent that the group anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by shareholders at an annual general meeting.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase and net realisable value is based on estimated selling price less additional costs to completion and disposal.

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

Financial liability and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Pension

The cost of the group's contributions to personal pension plans are charged to the profit and loss account in the year to which they relate.

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

2 Gross rental and service income

	2010 £	2009 £
Rents receivable	997,033	940,789

3 Employees (including directors)

	2010 £	2009 £
Staff costs for the group and the company during the year		
Wages and salaries	76,412	38,500
Social security costs	7,678	3,904
	84,090	42,404

The average number of persons employed by the group (including directors) during the year was

	2010 Number	2009 Number
Administrative	6	9

4 Net interest receivable

	2010 £	2009 £
Interest receivable from related undertakings	566,230	911,380
Bank interest receivable	8,546	6,890
Other interest receivable	3,674	4,002
Total interest receivable	578,450	922,272
Interest payable to related undertakings	(27,409)	(151,422)
Bank interest payable	(40)	(2,811)
Other interest payable (write back in 2009)	(181)	58,355
Total interest payable	(27,630)	(95,878)
	550,820	826,394

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

5 Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Auditors remuneration		
- audit (company 2010 - £1,300, 2009 - £1,325)	24,900	40,409
- taxation (company 2010 - £nil, 2009 - £nil)	9,880	11,382
Directors' emoluments	76,412	38,500
Amounts paid to third parties in respect of directors' services	6,411	6,658
	<hr/>	<hr/>

No directors were accruing retirement benefits under money purchase schemes

6 Segmental information

	2010 £	2009 £
<i>Profit/(loss) on ordinary activities before tax</i>		
United Kingdom	1,249,645	1,396,141
Canada	(14,774)	69,363
	<hr/>	<hr/>
	1,234,871	1,465,504
	<hr/>	<hr/>
<i>Turnover</i>		
All arose in the United Kingdom	997,033	940,789
	<hr/>	<hr/>
<i>Net assets</i>		
United Kingdom	50,894,591	55,076,429
Canada	-	799,071
	<hr/>	<hr/>
	50,894,591	55,875,500
	<hr/>	<hr/>

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

7 Taxation on profit from ordinary activities

	2010 £	2009 £
<i>Current tax</i>		
UK corporation tax on profits of the year	352,817	398,856
Adjustment to tax charge in respect of previous years	(896)	7,256
Overseas tax	(11,383)	443
	<hr/>	<hr/>
Total current tax	340,538	406,555
<i>Deferred tax</i>		
Movement in deferred tax provision	1,374	1,695
	<hr/>	<hr/>
Taxation on profit on ordinary activities	341,912	408,250
	<hr/>	<hr/>
The tax assessed for the year is less than (2009 – less than) the standard rate of corporation tax in the UK The differences are explained below		
Profit on ordinary activities before tax	1,234,871	1,465,504
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 – 28%)	345,764	410,341
Effects of		
Expenses not deductible for tax purposes	4,479	(9,972)
Capital allowances for year in excess of depreciation	(1,563)	(1,520)
Adjustment to tax charge in respect of previous years	(896)	7,256
Profits subject to overseas tax	(7,246)	450
	<hr/>	<hr/>
	340,538	406,555
	<hr/>	<hr/>

8 Equity minority interests

	2010 £	2009 £
Unclaimed dividends due to minority interests written back by subsidiary company	222	222
Credit for year	6	19
	<hr/>	<hr/>
	228	241
	<hr/>	<hr/>

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

9 Dividends

	2010 £	2009 £
First interim declared and paid £20 00 per share (2009 - £19 00 per share)	489,660	534,223
Second interim declared and paid £245 00 per share (2009 - £17 40 per share)	5,998,335	426,004
Third interim declared £18 30 per share (2009 - £17 40 per share)	448,039	-
	<u>6,936,034</u>	<u>960,227</u>

10 Profit after tax

	2010 £	2009 £
Dealt with in the financial statement of the parent company	<u>6,956,192</u>	<u>10,955,951</u>

As a consolidated profit and loss account is published a separate profit and loss account for the company is omitted from the group financial statements by virtue of the exemption granted by Section 408 of the Companies Act 2006

11 Investment properties

	Freehold £
Group	
At valuation 31 December 2009	14,475,000
Additions	20,222
Surplus on revaluation	<u>1,049,778</u>
At valuation at 31 December 2010	<u>15,545,000</u>

The properties above were valued by CB Richard Ellis Limited, Chartered Surveyors, in accordance with Appraisals and Valuation Standards issued by the Royal Institution of Chartered Surveyors, on the basis of open market value at 31 December 2010. The properties of the group are held as long term investments and no allowance has been made in the above figures for tax on chargeable gains which would become payable if any of the properties were sold at the amount at which they are valued. In the opinion of the directors this contingent liability amounts to £nil (2009 - £nil).

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (continued)

11 Investment properties (continued)

The historical values of the above properties are as follows

	Group £
Historical cost	12,157,917
Valuation in 1961	78,090
	<hr/>
	12,236,007
	<hr/>

12 Fixed asset investments

	Company 2010 £	Company 2009 £
Subsidiary undertakings	28,927	28,927
	<hr/>	<hr/>

The company has acquired its fixed asset investments by issuing shares in accordance with the provisions of the Companies Act 2006

Subsidiary undertakings

The subsidiaries of the company are shown on the contents page and are all registered in England and Wales unless otherwise indicated. They all operate in the United Kingdom. At 31 December 2010 they were all wholly owned with the exception of Evos Limited of which the company owned 98.24%.

The principal activity of all principal subsidiaries of the company is property investment.

13 Stock

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Freehold property held for resale	57,897	57,897	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)

14 Debtors

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Amounts falling due within one year				
Amounts due from subsidiary undertakings	34,657,862	46,019,202	-	-
Trade debtors	108,850	120,560	-	-
Prepayments and accrued income	51,470	668	-	-
Corporation taxation	-	1,348	-	-
Amounts owed by subsidiary undertakings	-	-	485,765	17,393
	<u>34,818,182</u>	<u>46,141,778</u>	<u>485,765</u>	<u>17,393</u>

15 Creditors: amounts falling due within one year

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Amounts due to related undertakings	849,056	5,308,507	-	-
Accrual and deferred income	475,376	421,175	3,575	3,400
Interim dividend declared	448,039	-	448,039	-
Corporation tax	176,920	191,857	-	-
	<u>1,949,391</u>	<u>5,921,539</u>	<u>451,614</u>	<u>3,400</u>

16 Provision for liabilities and charges

Group	£
Deferred taxation (short term timing differences)	
Balance at 1 January 2010	1,695
Charged to profit and loss account (note 7)	1,374
	<u>3,069</u>
Balance at 31 December 2010	
	<u>2010 £</u>
Accelerated capital allowances	3,069
	<u>2009 £</u>
	1,695

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

17 Called up share capital

	2010 £	2009 £
Allotted, issued and fully paid 24,483 ordinary shares of £1 each	24,483	24,483

18 Merger reserve

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Balance at 1 January 2010 and at 31 December 2010	1,890,174	1,890,174	-	-

19 Revaluation reserve

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Balance at 1 January 2010	2,259,215	1,017,610	-	-
Revaluation during the year	1,049,778	1,241,605	-	-
Balance at 31 December 2010	3,308,993	2,259,215	-	-

20 Other reserve

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Balance at 1 January 2010 and at 31 December 2010	10,646	10,646	-	-

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)

21 Capital redemption reserve

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Balance at 1 January 2010	4,444	-	4,444	-
Transfer from reserves	-	4,444	-	4,444
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2010	4,444	4,444	4,444	4,444
	<hr/>	<hr/>	<hr/>	<hr/>

22 Profit and loss account

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
At 1 January 2010	51,686,538	61,605,293	13,993	38,003
Profit for year	892,965	1,057,273	6,956,192	10,955,951
Dividends	(6,936,034)	(960,227)	(6,936,034)	(960,227)
Unclaimed dividends due by subsidiary written back	222	222	-	-
Purchase of own shares	-	(10,019,734)	-	(10,019,734)
Exchange difference arising on consolidation	12,160	3,711	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	45,655,851	51,686,538	34,151	13,993
	<hr/>	<hr/>	<hr/>	<hr/>

23 Pension arrangements

The group contributes to the separate money purchase pension arrangement of individual directors and employees. The pension cost charge represents contributions payable by the group to the arrangements and amounted to £nil (2009 - £nil). At the year end £nil (2009 - £nil) had been prepaid under such schemes.

24 Controlling party

The Sebba Family and related parties together hold a controlling interest in the Company.

25 Related party transactions

The company has taken advantage of the exemption from disclosing transactions with wholly owned subsidiary undertakings where those companies are included in the consolidated accounts of Warnford Investment Holdings Limited.

During the year to 31 December 2010 management fees of £116,287 (2009 - £97,268) were charged by Wardrobe Court Limited for managing the Group's property. Wardrobe Court Limited is a wholly owned subsidiary of Wardrobe Holdings Limited, a company under the control of the Sebba family and related parties.

Warnford Investments Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

25 Related party transactions (*continued*)

During the year to 31 December 2010 the following amounts of interest were charged by the Group to

Parwick Investments Limited £161,160 (2009 - £80,456)
Portman Square Properties Limited £84,659 (2009 - £513,088)
Wardrobe Court Limited £345,029 (2009 - £317,836)

During the year to 31 December 2010 the following amounts of interest were charged to the Company by

Salisbury House Offices Limited £43,502 (2009 - £138,222)
Wardrobe Place Limited £8,524 (2009 - £13,200)
Evos Limited £517 (2009 - £574)

The amounts due to Warnford Investments Limited as at 31 December 2010 from related companies were

Parwick Investments Limited £9,965,941 (2009 - £11,165,961)
Portman Square Properties Limited £nil (2009 - £13,176,392)
Wardrobe Court Limited £24,406,903 (2009 - £21,676,849)
Salisbury House Offices Limited £285,018 (2009 - due from £4,467,921)

The amounts due by Warnford Investments Limited as at 31 December 2010 to related companies were

Wardrobe Place Limited £849,056 (2009 - £840,586)
Evos Limited £34,680 (2009 - £34,633)

Salisbury House Offices Limited is a wholly owned subsidiary of Salisbury House Holdings Limited, Parwick Properties Limited is a wholly owned subsidiary of Parwick Holdings Limited, Portman Square Properties Limited is a wholly owned subsidiary of Portman Square Properties Holdings Limited and Wardrobe Court Limited and Wardrobe Place Limited are wholly owned subsidiaries of Wardrobe Holdings Limited. Salisbury House Holdings Limited, Parwick Holdings Limited and Wardrobe Holdings Limited are all under the control of the Sebba family and related parties. Evos Limited is a subsidiary of which the group owns 98.24% - see note 12. Portman Square Properties Holdings Limited was under the control of the Sebba family and related parties until its sale in June 2010.

26 Tenants' deposits

Group

£49,228 (2009 - £45,206) has been deposited by certain tenants as security for their obligations under their leases. Of this amount £49,228 (2009 - £45,206) is held in bank deposit accounts not shown in the financial statements and the interest thereon accrues for the benefit of the tenants.

Holding company

The company has received no such deposits from tenants in 2010 (2009 - £nil)

27 Post balance sheet events

On 25 January 2011, the group disposed of its investment property at Hayes for £3.8m