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Belay Services Limited

Report of the director and financial statements

Year ended 31 March 2011

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REGISTERED NUMBER: 06953980 (England and Wales)

Belay Services Limited

**Report of the director and financial statements for
the year ended 31 March 2011**

Belay Services Limited (Registered number 06953980)

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for the year ended 31 March 2011**

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Belay Services Limited

**Company information
for the year ended 31 March 2011**

DIRECTOR.	L Kadwill
REGISTERED OFFICE.	Granville House 132 Sloane Street London SW1X 9AX
REGISTERED NUMBER:	06953980 (England and Wales)
AUDITORS:	Kinetic Partners Audit LLP One London Wall Level 10 London EC2Y 5HB
BANKERS:	Barclays Bank PLC 1 Churchill Place London E14 5HP
LAWYERS:	Schulte Roth & Zabel International LLP Heathcoat House 20 Savile Row London W1S 3PR

**Report of the director
for the year ended 31 March 2011**

The director presents his report with the financial statements of Belay Services Limited ("the Company") for the year ended 31 March 2011. Comparatives are for the period from 7 July 2009 (date of incorporation) to 31 March 2010.

INCORPORATION

The Company was incorporated on 7 July 2009.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide administrative services to Belay Partners LLP (the "LLP"). The Company is a member of the LLP.

REVIEW OF BUSINESS

The results for the year and the Company's financial position are shown in the profit and loss account and the balance sheet on pages 6 and 7 respectively.

DIRECTORS

The directors who have held office during the period from 7 July 2009 (date of incorporation) to the date of this report are as follows:

A Wall - resigned 2 November 2011

D Zekrya - resigned 2 November 2011

L Kadwill – appointed 1 November 2011

The director holding office at 31 March 2011 did not hold any beneficial interest in the issued share capital of the Company at 31 March 2011.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

FINANCIAL RISK MANAGEMENT

It is the opinion of the director that there are no key business risks and uncertainties facing the Company other than the systematic risk that exists in the financial sector. The Company is not exposed to any significant price, credit, liquidity or cash flow risk.

GOING CONCERN

Belay Holdings Limited (the "Parent Company"), the sole shareholder of the Company, has indicated its willingness to continue to provide the Company with necessary financial support for the foreseeable future. As a result, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the director continues to adopt the going concern basis in preparing these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The director is responsible for preparing the report of the director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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.
-

**Report of the director
for the year ended 31 March 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - CONTINUED

The director is 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. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Kinetic Partners Audit LLP, will be proposed for re-appointment at the forthcoming Board of Directors meeting to approve these financial statements.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



L Kadwill - Director

Date 27 July 2011

Independent auditors' report to the shareholders of Belay Services Limited

We have audited the financial statements of Belay Services Limited ("the Company") for the year ended 31 March 2011, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the 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 shareholders, 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 shareholders 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 shareholders 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' responsibility set out on page 2, 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 and express an opinion on 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report to the shareholders of Belay Services Limited (continued)

Opinion

In our opinion the financial statements

- give a true and fair view of the Company's affairs as at 31 March 2011 and of its loss 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 matter prescribed by the Companies Act 2006

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

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, 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.

Neil Griggs (Senior statutory auditor)

27 July 2011

For and on behalf of

Kinetic Partners Audit LLP

Chartered Accountants and Registered Auditors

One London Wall, Level 10

London

EC2Y 5HB



Belay Services Limited (Registered number: 06953980)

**Profit and loss account
for the year ended 31 March 2011**

	Note	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Turnover	1	215,681	113,378
Administration expenses		<u>(501,535)</u>	<u>(325,049)</u>
Operating loss	3	(285,854)	(211,671)
Bank interest receivable		<u>7</u>	<u>-</u>
Loss on ordinary activities before taxation and dividends		(285,847)	(211,671)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the financial year/period after taxation		<u>(285,847)</u>	<u>(211,671)</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the loss for the current year

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the loss on ordinary activities for the period and its historical cost equivalent

The notes on pages 8 to 12 form part of these financial statements

Balance sheet
31 March 2011

	Note	31 March 2011 £	31 March 2010 £
Fixed Assets			
Tangible assets	5	78,397	131,375
Investments	6	<u>155,000</u>	<u>155,000</u>
		233,397	286,375
Current Assets			
Debtors	7	62,098	106,069
Cash at bank		<u>73,012</u>	<u>574</u>
		135,110	106,643
Creditors			
Amount falling due within one year	8	<u>(866,024)</u>	<u>(604,688)</u>
Net Current Liabilities		<u>(730,914)</u>	<u>(498,045)</u>
Total Assets less Current Liabilities		<u>(497,517)</u>	<u>(211,670)</u>
Capital and Reserves			
Called up share capital	10	1	1
Profit and loss account	11	<u>(497,518)</u>	<u>(211,671)</u>
Shareholders' Funds		<u>(497,517)</u>	<u>(211,670)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 27 July 2011 and were signed on its behalf by



L Kadwill - Director

**Notes to the financial statements
for the year ended 31 March 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

The Parent Company has undertaken to provide the funding necessary for the Company to continue as a going concern. The Company has adequate financial resources and as a consequence, the director believes that the Company is well placed to manage its business risks successfully despite the current uncertain economic climate.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Company qualifies as a small company.

Turnover

Turnover, which is stated on an accruals basis, net of any value added tax, represents advisory fees arising from continuing activities in the United Kingdom as service provider to, and corporate member of Belay Partners LLP.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life:

Leasehold improvements	- 3 years straight line
Office equipment	- 3 years straight line
Fixtures and fittings	- 3 years straight line
Computer equipment	- 3 years straight line

Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Expenses

Expenses incurred have been recognised on an accruals basis.

Investments

Investments are held at cost less provision for permanent diminution in value.

Notes to the financial statements - continued
for the year ended 31 March 2011

2 STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

	Year ended 31 March 2010 £	Period ended 31 March 2010 £
Wages and salaries	101,808	53,231
Redundancy	23,750	-
Social security costs	11,811	6,022
	<u>137,369</u>	<u>59,253</u>

The average monthly number of employees during the year was as follows

Fund Management	3	3
Administration	1	1
	<u>2</u>	<u>2</u>

3 OPERATING LOSS

The operating loss is stated after charging

	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Depreciation - owned assets	53,587	29,234
Auditors' remuneration		
- Audit services	3,000	2,000
- Non-audit services	11,608	2,000
	<u>11,608</u>	<u>2,000</u>

Average number of directors for the year was 2 (2010 2)

Audit services are provided by Kinetic Partners Audit LLP Non audit services are provided by Kinetic Partners LLP, a related party of Kinetic Partners Audit LLP Kinetic Partners LLP provides tax services to Belay Services Limited

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities in the year

**Notes to the financial statements - continued
for the year ended 31 March 2011**

4 TAXATION - CONTINUED

Factors affecting the tax charge

The current taxation charge for the year is different from the standard rate of corporation tax in the UK (28%). The differences are explained below

	Year ended 31 Mar 2011	Period ended 31 Mar 2010 £
Net loss on ordinary activities before tax	(285,847)	(211,671)
Theoretical tax at UK Corporation Tax rate of 28%	(80,037)	(59,268)
Effects of		
Capital allowances in excess of depreciation	7,646	(6,241)
Taxable income allocated from related undertaking	364	-
Capitalised revenue expenditure	-	(1,517)
Depreciation on non qualifying assets	3,162	1,795
Expenses not deductible for tax purposes	4,162	8,551
Losses carried forward	64,704	56,680
Current tax charge	-	-

5 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Office Equipment £	Furniture & Fixtures £	Computer Equipment	Total £
Cost:					
At 1 April 2010	91,568	6,729	31,914	30,398	160,609
Additions	-	-	-	609	609
At 31 March 2011	91,568	6,729	31,914	31,007	161,218
Depreciation					
At 1 April 2010	17,328	1,182	5,087	5,637	29,234
Charge for year	30,523	2,243	10,638	10,183	53,587
At 31 March 2011	47,851	3,425	15,725	15,820	82,821
Net Book Value					
At 1 April 2010	74,240	5,547	26,827	24,761	131,375
At 31 March 2011	43,717	3,304	16,189	15,187	78,397

6 FIXED ASSET INVESTMENTS

Cost:	£
At 1 April 2010	155,000
Additions	-
At 31 March 2011	155,000
Net Book Value	
At 1 April 2010	155,000
At 31 March 2011	155,000

The above investment represents the Company's capital interest in Belay Partners LLP

Notes to the financial statements - continued
for the year ended 31 March 2011

7 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2011	31 March 2010
	£	£
Other debtors	32,629	75,940
Prepayments	29,469	30,129
	<u>62,098</u>	<u>106,069</u>

8 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2011	31 March 2010
	£	£
Trade creditors	41,227	55,433
Amount due to Belay Holdings Limited	793,870	427,273
Amount due to Belay Partners LLP	-	89,648
Other creditors	23,706	-
Accrued expenses	7,221	32,334
	<u>866,024</u>	<u>604,688</u>

9 PROVISIONS FOR LIABILITIES AND CHARGES/DEFERRED TAXATION

	31 March 2011	31 March 2010
	£	£
Deferred tax unprovided		
Accelerated capital allowances	(1,003)	4,681
Losses carried forward	<u>(84,070)</u>	<u>(42,510)</u>
	<u>(85,073)</u>	<u>(37,829)</u>

A deferred tax asset has not been recognised in respect of losses carried forward in excess of accelerated capital allowances and will only be recoverable to the extent that the Company has sufficient future taxable profits

10 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 March 2011	31 March 2010
Number	Share capital class	Nominal value	£	£
1	Ordinary Shares	£1	<u>1</u>	<u>1</u>

11 RESERVES

Profit and loss account	31 March 2011	31 March 2010
	£	£
Opening	(211,671)	-
Loss for the year/period	<u>(285,847)</u>	<u>(211,671)</u>
Closing	<u>(497,518)</u>	<u>(211,671)</u>

12 RELATED PARTY DISCLOSURES

The Company is a member of the LLP. During the year the Company charged the LLP £215,681 (2010 £113,378) in respect of expense reimbursements. At 31 March 2011 £nil (2010 £89,648) is owed to the LLP.

During the year the Parent Company loaned the Company £366,597 (2010 £427,273) to fund costs of the Company. At 31 March 2011 £793,870 (2010 £427,273) is owed to the Parent Company and is included in creditors.

13 OTHER FINANCIAL COMMITMENTS

The Company had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire	31 March 2011 £	31 March 2010 £
Within two to five years	<u>61,776</u>	<u>61,776</u>

14 ULTIMATE CONTROLLING PARTY

Belay Holdings Limited is the immediate parent undertaking of the Company. Belay Holdings Limited is ultimately controlled by The Tyser 1998 Discretionary Settlement, a trust incorporated in Jersey.