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Belay Services Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2013

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Belay Services Limited

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for the year ended 31 March 2013**

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Belay Services Limited

**Company information
for the year ended 31 March 2013**

DIRECTORS.

L J Kadwill
L J Stoten

REGISTERED OFFICE:

Granville House
132 Sloane Street
London
SW1X 9AX

REGISTERED NUMBER:

06953980 (England and Wales)

AUDITOR

Kinetic Partners Audit LLP
One London Wall
Level 10
London
EC2Y 5HB

BANKERS.

Coutts & Co
440 The Strand
London
WC2R 0QS

SOLICITORS.

Schulte Roth and Zabel International LLP
Heathcoat House
20 Savile Row
London
W1S 3PR

Belay Services Limited

Report of the directors for the year ended 31 March 2013

The directors present their report with the audited financial statements of Belay Services Limited (the "company") for the year ended 31 March 2013. The report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a service company to, and corporate member of, Belay Partners LLP (the "LLP"). The directors do not anticipate any change in the nature of this activity going forward.

DIRECTORS

The directors shown below have held office during the period from 1 April 2012 to the date of this report.

L J Kadwill
L J Stoten

GOING CONCERN

The company's activity is the provision of services to Belay Partners LLP, an LLP of which it is a member. The directors are confident that the LLP will remain in business and that it will continue to use the services of the company. The company has made losses and has a deficit of shareholders' funds. However, this includes a loan from its parent, Belay Holdings Limited, of £945,043 and Belay Holdings Limited has undertaken to continue to provide funding necessary for the company to continue to be able to meet its liabilities as they fall due for the foreseeable future. The directors therefore prepare the financial statements on the going concern basis.

Belay Services Limited

Report of the directors - continued for the year ended 31 March 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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). 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each 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 auditor is aware of that information.

AUDITOR

The auditor, Kinetic Partners Audit LLP, will be proposed for re-appointment at the forthcoming board 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 J Kadwill - Director

Date 23rd July 2013

Independent auditor's 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 2013, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor

As explained more fully in the directors' Responsibilities Statement set out on page 3, 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 auditor's report to the shareholders of Belay Services Limited (continued)

Opinion on the financial statements

In our opinion the financial statements.

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 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 directors' report for the financial year for which financial statements are prepared is consistent with the financial statements

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company incurred a net loss of £248,307 during the year ended 31 March 2013 and, at that date, the Company's current liabilities exceeded its total assets by £1,070,494 and it had net current liabilities of £1,229,889. These conditions, along with other material matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was not to continue as a going concern.

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

Deborah Weston

Deborah Weston (Senior statutory auditor)

For and on behalf of Kinetic Partners Audit LLP, Statutory Auditor

One London Wall, Level 10

London

EC2Y 5HB

24 July 2013



Belay Services Limited**Profit and loss account
for the year ended 31 March 2013**

	Note	2013 £	2012 £
TURNOVER	1	-	237,532
Administrative expenses		<u>(341,454)</u>	<u>(599,052)</u>
OPERATING LOSS	2	(341,454)	(361,520)
Interest receivable and similar income		473	14
Other income		92,944	36,566
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(248,037)</u>	<u>(324,940)</u>
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(248,037)</u>	<u>(324,940)</u>

The company has no recognised gains or losses other than the loss for the current and previous year as stated above and therefore no separate statement of total recognised gains and losses has been presented

All activities derive from continuing operations

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

Belay Services Limited**Balance sheet
as at 31 March 2013**

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible fixed assets	5	4,395	27,745
Investments	6	<u>155,000</u>	<u>155,000</u>
		159,395	182,745
CURRENT ASSETS			
Debtors	7	42,379	58,468
Cash at bank		<u>5,949</u>	<u>953</u>
		48,328	59,421
CREDITORS			
Amounts falling due within one year	8	<u>(1,278,217)</u>	<u>(1,064,623)</u>
NET CURRENT LIABILITIES		<u>(1,229,889)</u>	<u>(1,005,202)</u>
NET LIABILITIES		<u>(1,070,494)</u>	<u>(822,457)</u>
CAPITAL AND RESERVES			
Called up share capital	9	¹	¹
Profit and loss account	10	<u>(1,070,495)</u>	<u>(822,458)</u>
SHAREHOLDERS' DEFICIT	10	<u>(1,070,494)</u>	<u>(822,457)</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 23rd July 2013 and were signed on its behalf by



L J Kadwill - Director

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

Belay Services Limited

Notes to the financial statements for the year ended 31 March 2013

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 company's activity is the provision of services to Belay Partners LLP, an LLP of which it is a member. The directors are confident that the LLP will remain in business and that it will continue to use the services of the company. The company has made losses and has a deficit of shareholders' funds. However, this includes a loan from its parent, Belay Holdings Limited, of £945,043 and Belay Holdings Limited has undertaken to continue to provide funding necessary for the company to continue to be able to meet its liabilities as they fall due for the foreseeable future. The directors therefore prepare the financial statements on the going concern basis.

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
Furniture and fixtures	- 3 years straight line
Computer equipment	- 3 years straight line

Taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted.

Foreign currencies

Monetary 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.

Belay Services Limited

Notes to the financial statements - continued for the year ended 31 March 2013

1. ACCOUNTING POLICIES (CONTINUED)

Investments

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

2. OPERATING LOSS

The operating loss is stated after charging

	2013 £	2012 £
Depreciation - owned assets	26,683	54,171
Auditor's remuneration		
- Audit services	2,500	3,600
- Non-audit services	17,035	3,233
-		
-		

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. During the year, the company paid FCA compliance services provided by Kinetic Partners LLP of £14,535 on behalf of Belay Partners LLP, of which the company is a member.

3. STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

	2013 £	2012 £
Wages and salaries	38,750	139,607
Social security costs	5,281	19,092
	<u>44,031</u>	<u>158,699</u>

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

	2013	2012
Fund management	2	2
Administration	1	1
	<u>3</u>	<u>3</u>

Belay Services Limited

Notes to the financial statements - continued for the year ended 31 March 2013

4 TAXATION

(a) Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2013 £	2012 £
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors that may affect future tax charges:

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

5 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office equipment £	Furniture & fixtures £	Computer equipment £	Total £
COST					
At 1 April 2012	91,568	9,537	31,914	31,718	164,737
Additions	-	-	1,235	2,097	3,332
At 31 March 2013	<u>91,568</u>	<u>9,537</u>	<u>33,149</u>	<u>33,815</u>	<u>168,069</u>
DEPRECIATION					
At 1 April 2012	78,374	5,981	26,362	26,275	136,992
Charge for year	13,194	1,937	5,850	5,702	26,683
At 31 March 2013	<u>91,568</u>	<u>7,918</u>	<u>32,212</u>	<u>31,977</u>	<u>163,675</u>
NET BOOK VALUE					
At 31 March 2013	<u>-</u>	<u>1,619</u>	<u>937</u>	<u>1,838</u>	<u>4,394</u>
At 31 March 2012	<u>13,194</u>	<u>3,556</u>	<u>5,552</u>	<u>5,443</u>	<u>27,745</u>

Belay Services Limited**Notes to the financial statements - continued
for the year ended 31 March 2013****6 INVESTMENTS**

	2013 £
COST	
At 1 April 2012 and 31 March 2013	<u>155,000</u>

NET BOOK VALUE	
At 1 April 2012 and 31 March 2013	<u>155,000</u>

The investment of £155,000 (2012: £155,000) represents the company's capital interest in Belay Partners LLP

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	1,674	16,380
Prepayments and accrued income	14,456	5,034
Other debtors	5,184	37,054
VAT receivable	<u>21,065</u>	<u>-</u>
	<u>42,379</u>	<u>58,468</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	21,947	35,577
Amounts due to Belay Holdings Limited	945,043	945,043
Amounts due to Belay Partners LLP	156,905	52,648
Other creditors	146,322	8,331
Accruals and deferred income	<u>8,000</u>	<u>23,024</u>
	<u>1,278,217</u>	<u>1,064,623</u>

9 CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, issued and fully paid		
Number Class		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

Belay Services Limited**Notes to the financial statements - continued
for the year ended 31 March 2013****10 RESERVES**

	Share capital £	Profit and loss account £	Total £
At 1 April 2012	1	(822,458)	(822,457)
Loss for the year	-	(248,038)	(248,038)
At 31 March 2013	1	(1,070,495)	(1,070,495)

11 OTHER FINANCIAL COMMITMENTS

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

	2013 £	2012 £
Operating leases which expire		
Within one year	61,776	-
Within two to five years	-	61,776

12 RELATED PARTY TRANSACTIONS

The company is a member of Belay Partners LLP (the "LLP"). During the year, the company charged the LLP £nil (2012 £237,532) in respect of expense reimbursements, made payments on behalf of the LLP totalling £19,953 (2012 £11,303) and received working capital funding from the LLP of £109,635 (2012 £301,483). As at 31 March 2013 the company owed the LLP £156,905 (2012 £52,648).

During the year, the parent company, Belay Holdings Limited, loaned the company £nil (2012 £140,000) to fund costs of the company and paid expenses of £nil (2012 £11,173) on behalf of the company. As at 31 March 2013 the company owed Belay Holdings Limited £945,043 (2012 £945,043).

Harry Tyser is a director of the company. During the year, he provided an interest free working capital loan of £146,322 (2012 £nil) with no repayment terms. At the year end, £146,322 (2012 £nil) was owed to Harry Tyser by the company.

13 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of the company is Belay Holdings Limited and the ultimate controlling party is considered to be The Tyser 1998 Discretionary Settlement, a trust incorporated in Jersey.