

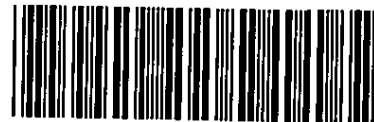
Bournston (Trent Bridge) Limited

**Directors' report and financial
statements**

Registered number 03864993

31 December 2010

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Company information

Director

PM Kilmister

Company Secretary

CA Kilmister

Registered office

Ossington Chambers
6-8 Castle Gate
Newark
Nottinghamshire
NG24 1AX

Company number

03864993

Auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Director's report

The director presents his report with the financial statements of the company for the year ended 31 December 2010

Principal activities

The principal activity of the company is that of property development

Review of business

The results for the period and financial position of the company are as shown on the annexed financial statements

The director has prepared the accounts of the Company on a going concern basis. Although the going concern basis has been adopted, there are some significant uncertainties that could cause the Company to be unable to continue as a going concern during the next twelve months from the date of approval of these financial statements. The uncertainties and the assumptions made to adopt the going concern basis are set out in note 1 of these financial statements.

Dividends

No dividends will be distributed for the year ended 31 December 2010 (2009 £nil)

Director

The director who held office during the year under review was

PM Kilmister

Mr PM Kilmister benefited from a qualifying third party indemnity provision in place during the financial year and at the date of this report


Disclosure of information to auditors

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


PM Kilmister
Director

Dated 9.11.11

Statement of director's responsibilities in respect of the director's report and the financial statements

The director is responsible for preparing the Director's Report 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 he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities



Independent auditor's report to the members of Bournston (Trent Bridge) Limited

We have audited the financial statements of Bournston (Trent Bridge) Limited for the year ended 31 December 2010 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 the director and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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

A description of the scope of an audit of financial statements is provided on the APB's web-site 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 company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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.

At 31 December 2010 the company had bank borrowings of £1.6 million, which are repayable on demand at the date of approval of these financial statements and was also party to an overdraft facility which is pending formal agreement at this date. Subsequent to the year end a Law of Property Act receiver has been appointed in relation to loans totalling £7.5 million secured on properties held by another group company.

The ability of the company to continue as a going concern is dependent upon obtaining an overdraft facility at the level forecast to be required and the successful refinancing of its borrowings with the existing lender, both of which are dependent upon the successful refinancing or sale of the property, held by another group company, which has been placed into receivership.

These matters, along with the other matters explained in note 1 to the financial statements, indicate the existence of material uncertainties which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial period for which the 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

CN Parkin (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Nicholas House

Park Row

Nottingham NG1 6FQ

Dated 9.11.11

Profit and loss account
for the year ended 31 December 2010

	<i>Note</i>	Year to 31 December 2010 £	15 months to 31 December 2009 £
Turnover		69,050	85,050
Cost of sales		(2,561)	(4,652)
Gross profit		66,489	80,398
Administrative expenses		(26,573)	(34,598)
Operating profit		39,916	45,800
Interest payable and similar charges	3	(112,795)	(162,558)
Loss on ordinary activities before taxation	4	(72,879)	(116,758)
Taxation on loss on ordinary activities	5	10,121	17,008
Loss for the financial year	11	(62,758)	(99,750)

In both the current year and preceding period, the company made no material acquisitions and had no discontinued operations

There were no recognised gains or losses in either the current year or preceding period other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet
as at 31 December 2010

	Note	2010	2009
		£	£
Current assets			
Stocks	6	1,573,060	1,570,217
Debtors	7	525,518	538,319
Cash at bank		398	775
		<u>2,098,976</u>	<u>2,109,311</u>
Creditors: amounts falling due within one year	8	<u>(1,648,373)</u>	<u>(3,412,874)</u>
Net current assets/(liabilities)		<u>450,603</u>	<u>(1,303,563)</u>
Total assets less current liabilities		<u>450,603</u>	<u>(1,303,563)</u>
Creditors: amounts falling due after more than one year	9	<u>(1,816,924)</u>	<u>-</u>
Net liabilities		<u>(1,366,321)</u>	<u>(1,303,563)</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	<u>(1,366,323)</u>	<u>(1,303,565)</u>
Shareholder's deficit	12	<u>(1,366,321)</u>	<u>(1,303,563)</u>

These financial statements were approved by the director on


PM Kilgiver
Director

P. 11. 11

Company number 03864993

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £1,366,321, which the director believes to be appropriate for the reasons set out below

The company meets its day to day working capital requirements and medium term funding requirements through banking facilities and loans which are secured on a development property. The nature of the company's business is such that there can be significant variations in the timing of cash flows and the current economic environment has increased the uncertainty in these variations. However, the director has prepared detailed cash flow information for the period ending twelve months from the date of approval of the financial statements. These projections take into account this uncertainty to the extent which he considers reasonable, based on the information that is available to him at the time of approval of these financial statements and the assumptions explained below

The company is part of the Bournston Developments Limited group ("the group"). Subsequent to the year end a Law of Property Act ('LPA') receiver has been appointed by one of the group's lenders in relation to bank loans totalling £7.5 million held by another group company. The director is in ongoing discussions with the aforementioned lender and receiver and is in the process of negotiating the refinancing of the entirety of the debt with a new lender. Whilst these discussions are preliminary the director is confident that new facilities will be agreed in due course. In the event that the refinancing of the debt is not successful the director's forecasts indicate that the sales proceeds that would result if the LPA secured property is sold will be sufficient to repay in full the amount owed. It is the opinion of the director that the debt controlled by the LPA receiver will be refinanced or repaid in full when required but that there can be no certainty in relation to such matters.

The group shares an informally agreed overdraft facility with the Bournston Estates Limited group, a separate group under common control. Current cash forecasts for the combined group prepared by the director indicate the requirement for an overdraft facility of just under £1.8 million, which assumes the successful refinancing or repayment in full of the debt controlled by the LPA receiver described above. The director is currently in discussions with the group's bankers concerning this overdraft requirement, and expects formal agreement once the debt controlled by the LPA receiver has been refinanced or repaid. During the period in which formal agreement of the overdraft facility is pending the group's bankers have informally confirmed that suitable overdraft facilities will be made available to the group in order that the group can trade in an orderly fashion and meet its liabilities as they fall due. However there can be no certainty that this will be the case.

At 31 December 2010 the company had a secured loan of £1.6 million which is repayable on demand at the date of approval of these financial statements. The director has been in regular discussion with the company's secured lenders concerning the provision of these ongoing lending facilities and has not sought to establish whether alternative financing would be available to the company. The director is in the process of finalising the agreement of this loan which has not been formally renewed at the date of approval of these financial statements. The company's secured lenders have informally confirmed their expectation that these facilities will continue to be made available for the foreseeable future, although possibly at moderately increased interest rate margins. The director is currently in discussions with the group's bankers and it is the opinion of the director that appropriate facilities will be available when they are required but there can be no certainty in relation to such matters.

Notes (continued)

1 Accounting policies (continued)

Going concern (continued)

In summary, based on the cash flow forecasts he has prepared and his discussions with the company's bankers the director considers that the use of the going concern basis of preparation is appropriate. However he recognises that the above matters are material uncertainties that may cast significant doubt on the company's ability to continue as a going concern and that the company therefore may not be able to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments that reflect this possible outcome.

Turnover

Turnover comprises the value of goods and services provided during the year and rents receivable, excluding value added tax.

Turnover is recognised when contracts are exchanged and the building work is substantially complete unless the contract is conditional and the condition has not been satisfied at the date the financial statements are approved. In such circumstances turnover is recognised on completion of contracts.

Stocks

Stocks and work in progress, which includes the cost of property together with all other directly attributable costs, are stated at the lower of cost and net realisable value. Costs of property purchased for development and resale includes the following:

Cost of acquisition

Legal fees on acquisition

Planning fees and related costs

Costs of development

Professional fees relating to acquisition and development

Interest incurred during development and ending on the date of practical completion

Net realisable value is based on actual or estimated sales proceeds less further costs expected to be incurred to completion.

Taxation

The charge for taxation is based on the result of the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Related party transactions

The company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the company

Under FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Director's emoluments / staff numbers and cost

The director received no remuneration from the company in either the current year or preceding period. The director was remunerated by the company's parent companies.

The average number of employees of the company (including directors) during the year was one (2009 two). They received remuneration from the company's parent companies.

3 Interest payable and similar charges

	Year to 31 Dec 10 £	15 months to 31 Dec 09 £
Bank loan interest	61,950	84,167
Other interest	50,845	78,391
	<u>112,795</u>	<u>162,558</u>

Notes (continued)

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	Year to 31 Dec 10 £	15 months to 31 Dec 09 £
Auditors' remuneration	-	-

The auditors were remunerated by other group companies

5 Taxation

Analysis of credit in the year

	Year to 31 Dec 10 £	15 months to 31 Dec 09 £
<i>Current tax</i>		
Payment received for group relief	(10,121)	(17,008)

Factors affecting the tax credit for the current year

The current tax credit for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	Year to 31 Dec 10 £	15 months to 31 Dec 09 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(72,879)	(116,758)
Current tax at 28% (2009 28%)	(20,406)	(32,692)
<i>Effect of</i>		
Trading losses carried forward	9,767	15,684
Expenses not deductible for tax purposes	518	-
Total current tax credit	(10,121)	(17,008)

Deferred tax

A deferred tax asset of £212,775 (2009 £219,375) has not been recognised on the grounds the director does not consider it more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010. On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. As there is no deferred tax recognised, there is no effect of the rate changes

Notes (continued)

6 Stocks

	2010 £	2009 £
Work in progress	1,573,060	1,570,217

Included in stocks at 31 December 2010 is £59,922 (2009 £59,922) relating to loan interest

The director does not consider the replacement cost of stocks to be materially different to their carrying value

7 Debtors: amounts falling due within one year

	2010 £	2009 £
Trade debtors	6,077	-
Amount due from group undertakings	519,441	538,319
	<u>525,518</u>	<u>538,319</u>

8 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	1,600,000	1,600,000
Trade creditors	1,797	219
Other loans	46,576	1,812,655
	<u>1,648,373</u>	<u>3,412,874</u>

The bank loan is secured by way of a first legal mortgage over freehold property at 1 Loughborough Road, 2-4 and 6 Bridgford Road and 2 and 2A Musters Road, West Bridgford. The bank loan bears interest at 2.5% above the 3 month LIBOR rate. The other loan is unsecured and bears interest at 2% above the bank base rate.

9 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Other loans	1,816,924	-

The other loan is unsecured and bears interest at 2% above the bank base rate

Notes (continued)

10 Share capital

	2010 £	2009 £
<i>Allotted, issued and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

11 Reserves

	£
At 1 January 2010	(1,303,565)
Loss for the period	(62,758)
	<hr/>
At 31 December 2010	(1,366,323)
	<hr/>

12 Reconciliation of movements in shareholder's deficit

	2010 £	2009 £
Loss for the year	(62,758)	(99,750)
Opening shareholder's deficit	(1,303,563)	(1,203,813)
	<hr/>	<hr/>
Closing shareholder's deficit	(1,366,321)	(1,303,563)
	<hr/>	<hr/>

13 Contingent liabilities

The company had no contingent liabilities at 31 December 2010 (2009 none)

14 Capital commitments

The company had no capital commitments at 31 December 2010 (2009 none)

15 Related party transactions

At the year end Bournston (Trent Bridge) Limited had another loan payable totalling £1,863,500 (2009 £1,812,655) Mr PM Kilmister has provided a £1 9 million (2009 £1 9 million) personal guarantee on this loan

At the period end, Bournston (Trent Bridge) Limited owed Allied Irish Bank £1 6 million (2009 £1 6 million) Mr PM Kilmister has provided a £450,000 (2009 £450,000) personal guarantee on the loan with Allied Irish Bank

16 Ultimate parent company and controlling party

The immediate parent company is Bournston Developments Limited, a company registered in England and Wales
The ultimate parent company is Bournston Group Limited, a company registered in England and Wales

The largest and smallest group in which the results of the company are consolidated is that headed by Bournston Developments Limited, a company registered in England and Wales The consolidated financial statements of Bournston Developments Limited are available to the public and may be obtained from the registered office

The company is controlled by its director who is the only shareholder of the ultimate parent company Bournston Group Limited