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Financial Statements Brackley Investments (Skegness) Limited

For the Year Ended 31 March 2008

Company No. 03951392

Company information

Company registration number	03951392
Registered office	Lawford Road Rugby Warwickshire CV21 2UU
Directors	P G Wakeford R J Wakeford
Secretary	P G Wakeford
Bankers	National Westminster Bank PLC
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House Kettering Parkway Kettering Northants NN15 6XR

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2008

Principal activities and business review

The company is principally engaged in the rental of investment properties

The directors consider that the company has performed satisfactorily in the current economic climate and has continued to trade in a similar manner in the current year The directors have not yet noted an increase in void costs and the costs continue in the current year at a similar level to the rates noted in Key Performance Indicators below

Results and dividends

The profit for the year, after taxation, amounted to £273,628 (2007 - £198,634) Particulars of dividends declared and paid are detailed in note 7 to the financial statements

Key performance indicators

Financial
The company measures its financial performance for the year using the following measures

- void costs (rates, insurance and service charge) as a percentage of turnover as nil% (2007 - nil%)
- bad and doubtful debts as a percentage of turnover of nil% (2007 - nil%)

Non-financial
The company measures its non-financial performance in the following area

- number of vacant properties at the year end of nil (2007 - nil)

Financial risk management policies and objectives

The company uses various financial instruments including other loans, trade debtors and trade creditors that arise directly from the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

The main risks arising from the company's financial instruments are liquidity risk and interest rate risk The directors review and agree policies for managing each of these risks and they are summarised below

Liquidity risk
The company seeks to manage finance risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

The details and maturity of borrowings are set out in notes 10 and 11 to the financial statements

Financial risk management policies and objectives (continued)

Interest rate risk
The company finances its operations through a mixture of retained profits and other loans The company exposure to interest rate fluctuations on its borrowings is managed by the use of fixed facilities as described in note 11 to the financial statements

Directors

The directors who served the company during the year were as follows

R J Wakeford (appointed 25 September 2007)
P G Wakeford (appointed 25 September 2007)

Brackley Investments Limited resigned as a director on 25 September 2007

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 year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Land and buildings

The investment properties are stated at cost, less depreciation corresponding to allowances claimed for taxation purposes The directors are of the opinion that the current market value would exceed this valuation

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985

BY ORDER OF THE BOARD

P G Wakeford
Secretary
4 September 2008

Grant Thornton

Report of the independent auditor to the members of Brackley Investments (Skegness) Limited

We have audited the financial statements of Brackley Investments (Skegness) Limited for the year ended 31 March 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 19 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

Grant Thornton

Report of the independent auditor to the members of Brackley Investments (Skegness) Limited

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Qualified opinion arising from disagreement about accounting treatment

Included in the balance sheet are properties which are held for their investment potential and are shown in tangible fixed assets at their net book value of £8,606,884 (2007 - £8,751,956) being their original cost at acquisition plus subsequent net additions at cost, less depreciation This treatment is not in accordance with Statement of Standard Accounting Practice No 19 which requires that such properties should not be subject to periodic charges for depreciation and should be included in the balance sheet at their open market value

Adoption of the requirements of SSAP 19 would require the elimination of depreciation charged in the year of £143,653 (2007 - £191,537) Additionally, any surplus or deficit arising from a valuation would increase or decrease, respectively, the amounts shown in the balance sheet for freehold land and buildings and the revaluation reserves In the absence of a valuation being made of the company's investment properties at the year end, it is not practical to quantify the effects of this aspect of the departure

Except for the above, in our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 March 2008

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Kettering
10 September 2008

Principal accounting policies

Basis of preparation

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

The principal accounting policies of the company are set out below The policies have remained unchanged from the previous year

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Rental income is accounted for on a receivable basis under the term of ongoing leases Service charges are credited against relevant expenditure

Tangible fixed assets and depreciation

Depreciation is provided on all buildings which attract taxation allowances and the amount provided in the year corresponds with the capital allowances claimed

No depreciation is provided on land or buildings which do not attract capital allowances

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Profit and loss account

	Note	2008 £	2007 £
Turnover	1	**1,014,067**	961,482
Other operating charges	2	**179,622**	215,461
Other operating income		**(19,766)**	–
Operating profit	3	**854,211**	746,021
Interest receivable		**19**	173
Interest payable and similar charges	5	**(453,619)**	(462,450)
Profit on ordinary activities before taxation		**400,611**	283,744
Tax on profit on ordinary activities	6	**126,983**	85,110
Profit for the financial year	17	**273,628**	198,634

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	8	**8,606,884**	8,751,956
Current assets			
Debtors	9	**1,742**	45,153
Cash at bank		**67,122**	35,889
		68,864	81,042
Creditors: amounts falling due within one year	10	**415,744**	601,325
Net current liabilities		**(346,880)**	(520,283)
Total assets less current liabilities		**8,260,004**	8,231,673
Creditors: amounts falling due after more than one year	11	**6,815,177**	6,960,474
		1,444,827	1,271,199
Provisions for liabilities			
Deferred taxation	13	**342,831**	342,831
		1,101,996	928,368
Capital and reserves			
Called-up equity share capital	16	**100**	100
Profit and loss account	17	**1,101,896**	928,268
Shareholders' funds	18	**1,101,996**	928,368

These financial statements were approved by the directors and authorised for issue on 4 September 2008 and are signed on their behalf by

R.J Wakeford

R J Wakeford
Director

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

2 Other operating charges

	2008	2007
	£	£
Administrative expenses	**179,622**	215,461

3 Operating profit

Operating profit is stated after charging/(crediting)

	2008	2007
	£	£
Rent receivable from investment properties included in turnover	**(1,014,067)**	(961,482)
Depreciation of owned fixed assets	**143,653**	191,537

	2008	2007
	£	£
Auditor's remuneration - audit of the financial statements	**1,950**	1,850

	2008	2007
Auditor's remuneration - other fees		
- Taxation services	**1,875**	1,785
- Accountancy fees	**1,775**	1,675
	3,650	3,460

4 Directors and employees

The average number of employees of the company during the year was nil (2007 - nil) The directors did not receive any remuneration during the period (2007 - £Nil)

5 Interest payable and similar charges

	2008	2007
	£	£
Other similar charges payable	**453,619**	462,450

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2007 - 30%)	**120,177**	85,129
Under/(over) provision in prior year	**6,806**	(19)
Total current tax	**126,983**	85,110

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2007 - 30%)

	2008 £	2007 £
Profit on ordinary activities before taxation	**400,611**	283,744
Profit on ordinary activities by rate of tax	**120,183**	85,123
Expenses not deductible for tax purposes	**(6)**	6
Under/(over) provision in prior year	**6,806**	(19)
Total current tax (note 6(a))	**126,983**	85,110

7 Dividends

Dividends on shares classed as equity

	2008 £	2007 £
Declared and paid at the year-end		
Equity dividends on ordinary shares	**100,000**	–

8 Tangible fixed assets

	Investment Properties
	£
Cost	
At 1 April 2007	9,106,675
Disposals	(1,419)
At 31 March 2008	9,105,256
Depreciation	
At 1 April 2007	354,719
Charge for the year	143,653
At 31 March 2008	498,372
Net book value	
At 31 March 2008	**8,606,884**
At 31 March 2007	8,751,956

The investment properties are stated at cost, less depreciation corresponding to allowances claimed for taxation purposes The directors are of the opinion that the current market value would exceed this valuation

9 Debtors

	2008	2007
	£	£
Trade debtors	**-**	26,611
Other debtors	**1,742**	18,542
	1,742	45,153

10 Creditors: amounts falling due within one year

	2008	2007
	£	£
Other loans	**145,297**	136,289
Amounts owed to group undertakings	**100,000**	255,704
Corporation tax	**70,177**	85,110
Accruals and deferred income	**100,270**	124,222
	415,744	601,325

11 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Other loans	**6,815,177**	6,960,474

The other loans are secured by a fixed and floating charge over all of the company's assets They are repayable in quarterly instalments from 28 September 2000 to 23 September 2027 and interest is charged at an average rate of 6 50% per annum

12 Borrowings

Creditors include other loans which are due for repayment as follows

	2008	2007
	£	£
Amounts repayable		
In one year or less or on demand	**145,298**	136,289
In more than one year but not more than two years	**154,904**	145,298
In more than two years but not more than five years	**528,917**	496,112
In more than five years	**6,131,355**	6,319,064
	6,960,474	7,096,763

13 Deferred taxation

The balance of the deferred taxation provision throughout the year was £342,831

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	**335,372**	335,372
Other timing differences	**7,459**	7,459
	342,831	342,831

14 Contingent liabilities

There were no contingent liabilities at 31 March 2008 or at 31 March 2007

15 Related party transactions

As a wholly owned subsidiary of Brackley Investments Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group which is ultimately headed by Bosworth and Wakeford Limited on the grounds that the consolidated accounts of Bosworth and Wakeford Limited are publicly available

16 Share capital

Authorised, allotted, called up and fully paid

	2008 and 2007	
	No	£
Ordinary shares of £1 each	**100**	**100**

17 Profit and loss account

	2008	2007
	£	£
Balance brought forward	**928,268**	729,634
Profit for the financial year	**273,628**	198,634
Equity dividends paid	**(100,000)**	–
Balance carried forward	**1,101,896**	928,268

18 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Profit for the financial year	**273,628**	198,634
Equity dividends paid	**(100,000)**	–
Net addition to shareholders' funds	**173,628**	198,634
Opening shareholders' funds	**928,368**	729,734
Closing shareholders' funds	**1,101,996**	928,368

19 Ultimate parent undertaking

The director considers that the ultimate parent undertaking and controlling related party of this company is Bosworth and Wakeford Limited

The largest group of undertakings for which group accounts have been drawn up is that headed by Bosworth and Wakeford Limited