

Company Registration No 4935272 (England and Wales)

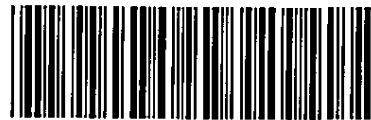
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**BABU KARA ESTATE FOUNDATIONS LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

WEDNESDAY



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A66 12/03/2008 147

COMPANIES HOUSE

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\*AV7VZXLO\*

A38 28/02/2008 399

COMPANIES HOUSE

# BABU KARA ESTATE FOUNDATIONS LIMITED

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# **BABU KARA ESTATE FOUNDATIONS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO BABU KARA ESTATE FOUNDATIONS LIMITED**

### **UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Babu Kara Estate Foundations Limited for the year ended 31 December 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

#### **Basis of audit opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

  
Morgan Berkeley

Chartered Certified Accountants  
Registered Auditor

24<sup>th</sup> February 2007

Westgate Chambers  
8a Elm Park Road, Pinner  
Middlesex  
HA5 3LA

# BABU KARA ESTATE FOUNDATIONS LIMITED

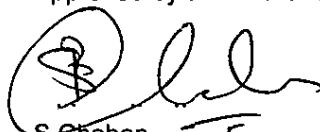
## ABBREVIATED BALANCE SHEET

AS AT.31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	2	5,240,191		-	
Investments	2	364,071		363,870	
		5,604,262		363,870	
<b>Current assets</b>					
Debtors		252,178		545,996	
Cash at bank and in hand		28,392		86,427	
		280,570		632,423	
<b>Creditors amounts falling due within one year</b>	3	(358,578)		(180,788)	
<b>Net current (liabilities)/assets</b>			(78,008)		451,635
<b>Total assets less current liabilities</b>			5,526,254		815,505
<b>Creditors amounts falling due after more than one year</b>	4	(4,930,823)		(204,677)	
		595,431		610,828	
<b>Capital and reserves</b>					
Called up share capital	5		10		10
Profit and loss account		595,421		610,818	
<b>Shareholders' funds</b>		595,431		610,828	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board for issue on 21/2/08

  
S Chohan  
Director

# BABU KARA ESTATE FOUNDATIONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### 1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Fixed assets

	<b>Tangible assets</b>	<b>Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2006	-	363,870	363,870
Additions	5,240,191	201	5,240,392
	<hr/>	<hr/>	<hr/>
At 31 December 2006	5,240,191	364,071	5,604,262
	<hr/>	<hr/>	<hr/>
At 31 December 2005	-	363,870	363,870
	<hr/>	<hr/>	<hr/>

# BABU KARA ESTATE FOUNDATIONS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 3 Creditors amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £2 (2005 - £-)

### 4 Creditors amounts falling due after more than one year

The aggregate amount of creditors for which security has been given amounted to £4,930,823 (2005 - £204,677)

5 Share capital	2006 £	2005 £
<b>Authorised</b>		
100 Ordinary Shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
10 Ordinary Shares of £1 each	10	10

### 6 Transactions with directors

As explained below, the following director had loans during the year. The movement on these loans are as follows

	Amount outstanding 2006 £	2005 £	Maximum in year £
Director's current account (debit bal)	148,738	-	168,534

During the year, a director and shareholder of the company, and his wife, a shareholder agreed to assist the company in raising finance by pledging their own assets as security. As the asset was already the subject of a loan, the financial institution concerned was not prepared to provide the finance without having a first charge over the asset and only prepared to advance the loan to one person as opposed to two borrowers. The company agreed thus to act as agents for itself and the shareholders concerned to borrow these funds. Consequently, the amount of the loan attributable to the shareholders is shown as part of the debtors and the full value of the loan as creditors. The interest due on the borrowing has been apportioned between the company and the shareholders by reference to the ratio of their respective borrowings. This accounting treatment has been adopted to show the legal effect of these arrangements.

### 7 Control

The ultimate controlling parties are the directors and shareholders of the company