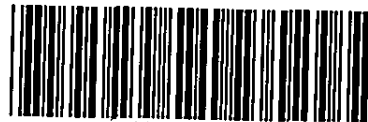


BADGER HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

WEDNESDAY



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COMPANIES HOUSE

BADGER HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A A Addinall R J Gray J D Stevens S Kavanagh
Company secretary	R M Mathews
Registered number	03090178
Registered office	Latour House Chertsey Boulevard Hanworth Lane Chertsey Surrey KT16 9X
Independent auditors	Warrener Stewart Chartered Accountants & Statutory Auditors Harwood House 43 Harwood Road London SW6 4QP

BADGER HOLDINGS LIMITED

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BADGER HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company during the year was that of a holding company

Directors

The directors who served during the year were

A A Addinall
R J Gray
J D Stevens
S Kavanagh

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

BADGER HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Auditors

Under section 487(2) of the Companies Act 2006, Warrener Stewart will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf



.....
A A Addinall
Director

Date 25 April 2013

BADGER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BADGER HOLDINGS LIMITED

We have audited the financial statements of Badger Holdings Limited for the year ended 31 December 2012, set out on pages 5 to 15. 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 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 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.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 the financial statements are prepared is consistent with the financial statements.

BADGER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BADGER HOLDINGS LIMITED

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report



Nicholas Morgan (Senior Statutory Auditor)

for and on behalf of

Warrener Stewart

Chartered Accountants
Statutory Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

25 April 2013

BADGER HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Turnover	1	1,098,886	1,014,571
Cost of sales		<u>(1,195,522)</u>	<u>(1,124,544)</u>
Gross loss		(96,636)	(109,973)
Distribution costs		(69,739)	(60,313)
Administrative expenses		(714,059)	(831,546)
Exceptional administrative expenses		-	36,947
Total administrative expenses		(714,059)	(794,599)
Other operating income	2	<u>359,167</u>	<u>316,490</u>
Operating loss	3	(521,267)	(648,395)
Income from shares in group undertakings		1,500,000	3,000,000
Interest receivable and similar income		14,219	11,257
Interest payable and similar charges		<u>(13,382)</u>	<u>(9,295)</u>
Profit on ordinary activities before taxation		979,570	2,353,567
Tax on profit on ordinary activities	5	<u>(17,657)</u>	<u>(50,420)</u>
Profit for the financial year	14	<u>961,913</u>	<u>2,303,147</u>

The notes on pages 7 to 15 form part of these financial statements


BADGER HOLDINGS LIMITED
REGISTERED NUMBER: 03090178

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	6		535,065		362,330
Investment property	7		300,200		300,200
Investments	8		508,555		228,555
			<u>1,343,820</u>		<u>891,085</u>
Current assets					
Debtors	9	8,897,558		8,961,449	
Cash at bank		2,497,168		2,051,973	
		<u>11,394,726</u>		<u>11,013,422</u>	
Creditors. amounts falling due within one year	10	(8,698,223)		(8,585,195)	
Net current assets			<u>2,696,503</u>		<u>2,428,227</u>
Total assets less current liabilities			<u>4,040,323</u>		<u>3,319,312</u>
Creditors: amounts falling due after more than one year	11		(405,655)		(396,557)
Net assets			<u><u>3,634,668</u></u>		<u><u>2,922,755</u></u>
Capital and reserves					
Called up share capital	13		3,620,875		3,620,875
Capital redemption reserve	14		29		29
Profit and loss account	14		13,764		(698,149)
Shareholders' funds			<u><u>3,634,668</u></u>		<u><u>2,922,755</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 April 2013



 A A Addinall
 Director

The notes on pages 7 to 15 form part of these financial statements

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

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)

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover represents charges receivable exclusive of VAT from group companies and other related parties for management and associated services provided.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	-	20% on a straight line basis
Fixtures, Fittings & Equipment	-	20-33% on a straight line basis

1.4 Investments

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

1.5 Investment properties

Investment properties are included in the Balance Sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company. Investment properties are held for investment purposes, not consumption. Depreciation is therefore not considered to be relevant. An annual impairment review is performed and any permanent diminution in value is written off to the profit and loss account.

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting Policies (continued)

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Pensions

The company contributes to personal pension plans on behalf of certain directors. The funds of any such scheme are administered by trustees and are not connected in any way with the company. All payments are charged to the profit and loss account as and when they arise.

2. Other operating income

	2012 £	2011 £
Establishment recharges and rental income	<u>359,167</u>	<u>316,490</u>

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

3. Operating loss

The operating loss is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	39,467	29,753
- held under finance leases	75,079	29,151
Auditors' remuneration	8,500	9,000
Exceptional loan waiver	-	(36,947)

During 2010 Buckminster Homes, a related party involved in property development, incurred significant losses and as a result a loan balance of £498,773 considered to be non recoverable was written off. During 2011 £36,947 was subsequently recovered.

4 Directors' remuneration

	2012 £	2011 £
Aggregate emoluments	195,200	131,400

5. Taxation

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	17,657	21,420
Deferred tax (see note 12)		
Origination and reversal of timing differences	-	29,000
Tax on profit on ordinary activities	17,657	50,420

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

6 Tangible fixed assets

	Motor Vehicles £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 January 2012	319,547	173,798	493,345
Additions	329,803	30,163	359,966
Transfers intra group	-	(20,222)	(20,222)
Disposals	(62,299)	(110,759)	(173,058)
At 31 December 2012	587,051	72,980	660,031
Depreciation			
At 1 January 2012	34,651	96,364	131,015
Charge for the year	92,065	22,481	114,546
On disposals	(17,073)	(103,522)	(120,595)
At 31 December 2012	109,643	15,323	124,966
Net book value			
At 31 December 2012	477,408	57,657	535,065
At 31 December 2011	284,896	77,434	362,330

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Motor vehicles	384,576	284,896
Furniture, fittings and equipment	9,043	-
	393,619	284,896

7. Investment property

	Freehold investment property £
Valuation	
At 1 January 2012 and 31 December 2012	300,200

The 2012 valuations were made by the directors, on an open market value for existing use basis

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8. Fixed asset investments

	Investments in Subsidiary Companies £
Cost or valuation	
At 1 January 2012	228,555
Additions	280,000
	<hr/>
At 31 December 2012	508,555
	<hr/>
Net book value	
At 31 December 2012	508,555
	<hr/> <hr/>
At 31 December 2011	228,555
	<hr/> <hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Townends (Residential Sales) Ltd	Ordinary	100 %
Townends (Lettings & Management) Ltd	Ordinary	100 %
Townends (Financial Services) Ltd	Ordinary	100 %
Tyser Greenwood Ltd	Ordinary	100 %
Townends (Camberley) Ltd	Ordinary	100 %
INEX Property Solutions Ltd	Ordinary	100 %
Townends (Twickenham) Ltd	Ordinary	100 %
Townends (Overseas) Ltd	Ordinary	100 %
Townends (Whitton) Ltd	Ordinary	50 %

Name	Business	Registered office
Townends (Residential Sales) Ltd	Estate agents	England & Wales
Townends (Lettings & Management) Ltd	Lettings agents	England & Wales
Townends (Financial Services) Ltd	Financial services	England & Wales
Tyser Greenwood Ltd	Surveyors and valuers	England & Wales
Townends (Camberley) Ltd	Dormant	England & Wales
INEX Property Solutions Ltd	Property maintenance	England & Wales
Townends (Twickenham) Ltd	Estate agents	England & Wales
Townends (Overseas) Ltd	Estate agents	England & Wales
Townends (Whitton) Ltd	Estate agents	England & Wales

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8 Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Townends (Residential Sales) Ltd	(3,245,770)	(370,618)
Townends (Lettings & Management) Ltd	6,012,015	1,807,782
Townends (Financial Services) Ltd	1,118,233	49,809
Tyser Greenwood Ltd	(1,123,052)	21,183
INEX Property Solutions Ltd	(71,714)	119,515
Townends (Twickenham) Ltd	231,112	77,102
Townends (Overseas) Ltd	(36,887)	-
Townends (Whitton) Ltd	40,647	33,697

9. Debtors

	2012 £	2011 £
Trade debtors	1,255	1,449
Amounts owed by group undertakings	8,245,058	7,796,160
Amounts owed by related party undertakings	2,040	549,847
Other debtors	625,205	589,993
Deferred tax asset (see note 12)	24,000	24,000
	8,897,558	8,961,449

10. Creditors: Amounts falling due within one year

	2012 £	2011 £
Net obligations under finance leases and hire purchase contracts	122,414	77,302
Trade creditors	253,464	517,407
Amounts owed to group undertakings	7,740,580	7,375,310
Amounts owed to related party undertakings	16,947	-
Corporation tax	17,657	21,420
Social security and other taxes	504,921	511,559
Other creditors	42,240	82,197
	8,698,223	8,585,195

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Bank loans	270,530	270,530
Net obligations under finance leases and hire purchase contracts	135,125	126,027
	<u>405,655</u>	<u>396,557</u>

The long term bank loans are wholly repayable after more than 5 years. The loans are secured by first legal charges over investment properties.

12. Deferred tax asset

	2012 £	2011 £
At 01 January 2012	24,000	53,000
(Released)/accrued during year	-	(29,000)
At 31 December 2012	<u>24,000</u>	<u>24,000</u>

The deferred tax asset is made up as follows:

	2012 £	2011 £
Decelerated capital allowances	24,000	53,000
Tax losses carried forward	-	(29,000)
	<u>24,000</u>	<u>24,000</u>

13. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
362,087,458 (2011 - 362,087,458) Ordinary shares of £0.01 each	<u>3,620,875</u>	<u>3,620,875</u>

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

14. Reserves

	Capital redempt'n reserve £	Profit and loss account £
At 1 January 2012	29	(698,149)
Profit for the year		961,913
Dividends Equity capital		(250,000)
At 31 December 2012	<u>29</u>	<u>13,764</u>

15. Dividends

	2012 £	2011 £
Dividends paid on equity capital	<u>250,000</u>	<u>250,000</u>

Dividends of £250,000 (2011 £250,000) were paid during the year to Badger Group (Holdings) Limited, the immediate parent undertaking

16 Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Expiry date:		
Within 1 year	55,734	26,500
Between 2 and 5 years	114,410	161,316
After more than 5 years	<u>32,000</u>	<u>56,000</u>

17. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Badger Group (Holdings) Limited, a company incorporated in England and Wales

No one party exercises control over Badger Group (Holdings) Limited

BADGER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

18. Related party disclosures

Material balances and transactions with related parties arising during the year were as follows

Balances with related parties

	2012 £	2011 £
Debtor balances		
Townends (Whitton) Ltd	51,723	60,405
Townends (Country) Ltd	1,568	5,731
Buckminster Homes Limited	-	239,584
Capital Developments Ltd	454	234
A A Addinall	-	92,401
R J Gray	-	108,490
J D Stevens	-	103,407
S Kavanagh	-	-
	<hr/>	<hr/>
Creditor balances		
Buckminster Homes Limited	16,947	-
The In House Way (included in trade creditors)	2,400	-
	<hr/>	<hr/>

The Debtor balances owed to the company at 31 December 2011 by the directors (A A Addinall, R J Gray and J D Stevens) were the maximum amounts owing during the year and were repaid in full prior to 30 June 2012

Transactions with related parties

Management and administration charges receivable from

	2012 £	2011 £
Licence fees payable to A A Addinall and R J Gray (jointly)	300,000	300,000
Townends (Whitton) Limited	9,125	6,250

The company is liable under a cross guarantee between all Badger Group companies in respect of any loan or overdraft balances in favour of National Westminster Bank Plc

Nature of relationship and control

A A Addinall, R J Gray and J Stevens, directors of this company, are directors and shareholders of the parent undertaking, Badger Group (Holdings) Ltd

Townends (Whitton) Ltd is a 50% subsidiary undertaking of Badger Holdings Ltd

Directors of Badger Holdings Ltd hold varying, non controlling interests and directorships in the other above companies. No one party exercises control in any of these companies

The In House Way is a partnership in which H Addinall, a close relation of A A Addinall, is a partner