

COMPANY REGISTRATION NUMBER 2783475

# **BALSTATE SERVICES LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**31 MARCH 2014**

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# BALSTATE SERVICES LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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# **BALSTATE SERVICES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE DIRECTOR**

E C Edwards

### **REGISTERED OFFICE**

Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

### **ACCOUNTANTS**

Menzies LLP  
Chartered Accountants  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey TW20 9EY

# BALSTATE SERVICES LIMITED

## DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2014

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The director presents his report and the unaudited financial statements of the company for the year ended 31 March 2014.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property management and the provision of management services, financial support and vehicle hire.

### DIRECTOR

The director who served the company during the year was as follows:

E C Edwards

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

Signed by



E C Edwards

Director

Approved by the director on .....11/7/14.....

# BALSTATE SERVICES LIMITED

## CHARTERED ACCOUNTANTS REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF BALSTATE SERVICES LIMITED

YEAR ENDED 31 MARCH 2014

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Balstate Services Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulations](http://icaew.com/regulations).

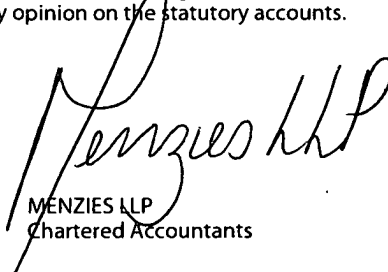
This report is made solely to the director of Balstate Services Limited in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Balstate Services Limited and state those matters that we have agreed to state to him in this report in accordance with AAF 02/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Balstate Services Limited and its director for our work or for this report.

It is your duty to ensure that Balstate Services Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Balstate Services Limited. You consider that Balstate Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Balstate Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Heathrow Business Centre  
65 High Street  
Egham  
Surrey TW20 9EY

14 July 2014

  
MENZIES LLP  
Chartered Accountants

# BALSTATE SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

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|  | Note     | 2014<br>£     | 2013<br>£     |
|--|----------|---------------|---------------|
| <b>TURNOVER</b>                                      |          | 132,173       | 109,947       |
| Cost of sales  |          | <u>28,018</u> | <u>21,228</u> |
| <b>GROSS PROFIT</b>                                  |          | 104,155       | 88,719        |
| Administrative expenses                              |          | <u>30,058</u> | <u>24,106</u> |
| <b>OPERATING PROFIT</b>                              | <b>2</b> | 74,097        | 64,613        |
| Interest payable and similar charges                 |          | <u>7,745</u>  | <u>6,656</u>  |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | 66,352        | 57,957        |
| Tax on profit on ordinary activities                 | <b>3</b> | <u>19,131</u> | <u>7,345</u>  |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 |          | <u>47,221</u> | <u>50,612</u> |

⚡ The notes on pages 7 to 11 form part of these financial statements.

# BALSTATE SERVICES LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2014

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|   | 2014<br>£      | 2013<br>£     |
|---|----------------|---------------|
| Profit for the financial year<br>attributable to the shareholders | 47,221         | 50,612        |
| Unrealised profit on revaluation of:<br>Investment properties     | 156,500        | -             |
| Total recognised gains and losses relating to the year            | <u>203,721</u> | <u>50,612</u> |
| Total gains and losses recognised since the last annual report    | <u>203,721</u> | <u>50,612</u> |

The notes on pages 7 to 11 form part of these financial statements.

# BALSTATE SERVICES LIMITED

## BALANCE SHEET

31 MARCH 2014

|  | Note | 2014<br>£        | 2013<br>£        |
|--|------|------------------|------------------|
| <b>FIXED ASSETS</b>  |      |                  |                  |
| Tangible assets  | 4    | 58,938           | 21,995           |
| Investments  | 5    | 2,105,008        | 1,843,500        |
|  |      | <u>2,163,946</u> | <u>1,865,495</u> |
| <b>CURRENT ASSETS</b>  |      |                  |                  |
| Debtors  | 6    | 1,808            | 16,922           |
| Cash at bank and in hand                                       |      | 10,764           | 23,923           |
|  |      | <u>12,572</u>    | <u>40,845</u>    |
| <b>CREDITORS: Amounts falling due within one year</b>          | 7    | 413,896          | 359,139          |
| <b>NET CURRENT LIABILITIES</b>                                 |      | (401,324)        | (318,294)        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | 1,762,622        | 1,547,201        |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 8    | 850,000          | 850,000          |
| <b>PROVISIONS FOR LIABILITIES</b>                              |      |                  |                  |
| Deferred taxation  | 9    | 11,700           | -                |
|  |      | <u>900,922</u>   | <u>697,201</u>   |
| <b>CAPITAL AND RESERVES</b>                                    |      |                  |                  |
| Called-up equity share capital                                 | 12   | 200              | 200              |
| Revaluation reserve  | 13   | 627,833          | 471,333          |
| Profit and loss account  | 14   | 272,889          | 225,668          |
| <b>SHAREHOLDERS' FUNDS</b>                                     |      | <u>900,922</u>   | <u>697,201</u>   |

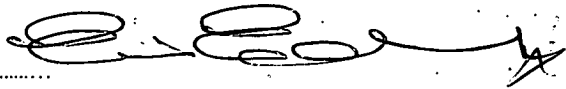
For the year ended 31 March 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved and signed by the director and authorised for issue on 11/7/14



E C Edwards

Company Registration Number: 2783475

The notes on pages 7 to 11 form part of these financial statements.

# BALSTATE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

At the balance sheet date the company had net current liabilities of £401,324 including amounts totalling £230,148 due to the director and amounts totalling £166,948 due to a company controlled by the director. The company has received assurances from the director that financial support will continue so as to enable normal operations for the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

#### Turnover

The turnover shown in the profit and loss account represents rents receivable and amounts receivable for services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes.

Turnover is recognised in the period in which the company becomes unequivocally entitled to the income.

#### Deferred Tax

No provision is made for deferred taxation in respect of property revaluation gains and losses and these do not represent a timing difference for tax purposes.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                     |                              |
|---------------------|------------------------------|
| Plant & Machinery   | - 25% straight line          |
| Fixtures & Fittings | - 25% reducing balance       |
| Motor Vehicles      | - 20% & 25% reducing balance |
| Equipment           | - 25% straight line          |

#### Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

#### 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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers 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.

# BALSTATE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

### 1. ACCOUNTING POLICIES *(continued)*

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.

### 2. OPERATING PROFIT

Operating profit is stated after charging:

|                                    | 2014<br>£     | 2013<br>£    |
|------------------------------------|---------------|--------------|
| Director's remuneration            | -             | -            |
| Depreciation of owned fixed assets | <u>14,735</u> | <u>1,870</u> |

### 3. TAXATION ON ORDINARY ACTIVITIES

#### Analysis of charge in the year

|   | 2014<br>£     | 2013<br>£    |
|---|---------------|--------------|
| Current tax:  |               |              |
| In respect of the year:   |               |              |
| UK Corporation tax based on the results for the year at 20%<br>(2013 - 20%) | <u>7,431</u>  | <u>7,345</u> |
| Total current tax   | <u>7,431</u>  | <u>7,345</u> |
| Deferred tax:   |               |              |
| Origination and reversal of timing differences (note 9)                     |               |              |
| Capital allowances  | <u>11,700</u> | -            |
| Tax on profit on ordinary activities  | <u>19,131</u> | <u>7,345</u> |

# BALSTATE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

### 4. TANGIBLE FIXED ASSETS

|                          | Fixtures &<br>Fittings<br>£ | Motor Vehicles<br>£ | Computer<br>Equipment<br>£ | Total<br>£    |
|--------------------------|-----------------------------|---------------------|----------------------------|---------------|
| <b>COST OR VALUATION</b> |                             |                     |                            |               |
| At 1 April 2013          | 11,580                      | 24,104              | 2,562                      | 38,246        |
| Additions                | -                           | 66,178              | -                          | 66,178        |
| Disposals                | -                           | (14,500)            | -                          | (14,500)      |
| <b>At 31 March 2014</b>  | <b>11,580</b>               | <b>75,782</b>       | <b>2,562</b>               | <b>89,924</b> |
| <b>DEPRECIATION</b>      |                             |                     |                            |               |
| At 1 April 2013          | 11,580                      | 2,109               | 2,562                      | 16,251        |
| Charge for the year      | -                           | 14,735              | -                          | 14,735        |
| <b>At 31 March 2014</b>  | <b>11,580</b>               | <b>16,844</b>       | <b>2,562</b>               | <b>30,986</b> |
| <b>NET BOOK VALUE</b>    |                             |                     |                            |               |
| <b>At 31 March 2014</b>  | <b>-</b>                    | <b>58,938</b>       | <b>-</b>                   | <b>58,938</b> |
| At 31 March 2013         | -                           | 21,995              | -                          | 21,995        |

### 5. INVESTMENTS

|                          | Investment<br>properties<br>£ |
|--------------------------|-------------------------------|
| <b>COST OR VALUATION</b> |                               |
| At 1 April 2013          | 1,843,500                     |
| Additions                | 105,008                       |
| Revaluations             | 156,500                       |
| <b>At 31 March 2014</b>  | <b>2,105,008</b>              |
| <b>NET BOOK VALUE</b>    |                               |
| <b>At 31 March 2014</b>  | <b>2,105,008</b>              |
| At 31 March 2013         | 1,843,500                     |

If the investment properties listed above were disposed of at open market value, a tax liability would arise, but as there is no binding agreement to dispose of any of these properties at the balance sheet date, no provision for deferred taxation has been made.

The investment properties were professionally valued on 31 December 2009 by independent surveyors. In the opinion of the director the current value of the investment properties is £2,000,000 which is reflected in the financial statements. The addition in the period of £105,008 is included at cost as the year end value is not materially different to the market value.

### 6. DEBTORS

|                 | 2014<br>£    | 2013<br>£     |
|-----------------|--------------|---------------|
| Trade debtors   | -            | 10,311        |
| VAT recoverable | -            | 5,368         |
| Other debtors   | 1,808        | 1,243         |
|                 | <b>1,808</b> | <b>16,922</b> |

# BALSTATE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

### 7. CREDITORS: Amounts falling due within one year

|                 | 2014<br>£      | 2013<br>£      |
|-----------------|----------------|----------------|
| Trade creditors | 3,471          | 21,082         |
| Corporation tax | 7,431          | 7,345          |
| Other taxation  | 1,898          | -              |
| Other creditors | 401,096        | 330,712        |
|                 | <u>413,896</u> | <u>359,139</u> |

Other creditors include amounts totalling £230,148 (2013 £180,148) due to Mr E C Edwards.

### 8. CREDITORS: Amounts falling due after more than one year

|            | 2014<br>£      | 2013<br>£      |
|------------|----------------|----------------|
| Bank loans | <u>850,000</u> | <u>850,000</u> |

The bank loan, provided by Barclays Private Bank Limited, is secured by a legal mortgage over certain of the company's freehold properties and by a personal guarantee provided by the director, Mr E C Edwards.

Interest is charged at normal commercial rates and the loan is technically repayable in a single installment due on 30 October 2015.

### 9. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

|  | 2014<br>£     | 2013<br>£ |
|--|---------------|-----------|
| Profit and loss account movement arising during the year | 11,700        | -         |
| Provision carried forward                                | <u>11,700</u> | <u>-</u>  |

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

|   | 2014<br>£     | 2013<br>£ |
|---|---------------|-----------|
| Excess of taxation allowances over depreciation on fixed assets | <u>11,700</u> | <u>-</u>  |
|   | <u>11,700</u> | <u>-</u>  |

### 10. TRANSACTIONS WITH DIRECTOR

During the year Mr E C Edwards continued to provide a loan to the company: that loan is interest free and repayable on demand. Also during the year Mr E C Edwards paid expenses totalling £Nil (2013 £2,845) on behalf of the company.

At the balance sheet date, after taking account of repayments made in the year, amounts due to Mr Edwards in this respect totalled £230,148 (2013: £180,148).

### 11. RELATED PARTY TRANSACTIONS

The company is controlled by Mr E C Edwards by virtue of his 100% interest in the company's issued voting share capital.

EDS Holdings Limited and Balstate Services Limited are under common control of the director Mr E C Edwards. During the year, the company settled liabilities on behalf of EDS Holdings Limited and EDS Holdings Limited settled liabilities on behalf of the company. EDS Holdings Limited hired vehicles from Balstate Services Limited at a cost of £22,800 net of vat (2013 - £1,500). In addition EDS Holdings Limited has provided working capital funding to Balstate Services Limited.

At the balance sheet date after taking into account an informal offset arrangement, amounts due to EDS Holdings Limited in these respects totalled £166,948 (2013: £145,740).

# BALSTATE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

### 12. SHARE CAPITAL

#### Authorised share capital:

|                                    | 2014<br>£  | 2013<br>£  |
|------------------------------------|------------|------------|
| 100 'A' Ordinary shares of £1 each | 100        | 100        |
| 100 'B' Ordinary shares of £1 each | 100        | 100        |
|                                    | <u>200</u> | <u>200</u> |

#### Allotted, called up and fully paid:

|                                | 2014<br>No | £          | 2013<br>No | £          |
|--------------------------------|------------|------------|------------|------------|
| 'A' Ordinary shares of £1 each | 100        | 100        | 100        | 100        |
| 'B' Ordinary shares of £1 each | 100        | 100        | 100        | 100        |
|                                | <u>200</u> | <u>200</u> | <u>200</u> | <u>200</u> |

The 'B' shares do not confer upon the holders the right to have any dividend, interim or final, recommended, declared or paid in respect of the holding of such shares.

On a winding up or other repayment of capital the 'A' shareholders would receive amounts restricted to:

- i) The amount paid up on such shares, and
- ii) An amount of £5,736.73 per share

Accordingly, a total of £573,773 is the extent of the non-equity interests.

### 13. REVALUATION RESERVE

|  | 2014<br>£      | 2013<br>£      |
|--|----------------|----------------|
| Balance brought forward as previously reported | 471,333        | 457,431        |
| Prior year adjustment                          | -              | 13,902         |
| Balance brought forward restated               | <u>471,333</u> | <u>471,333</u> |
| Revaluation of fixed assets                    | 156,500        | -              |
| Balance carried forward                        | <u>627,833</u> | <u>471,333</u> |

The investment properties were valued in 2009 on an open market basis by a firm of independent Chartered Surveyors. The net surplus or deficit arising is not subject to taxation in the absence of a sale and accordingly no provision for taxation is made.

### 14. PROFIT AND LOSS ACCOUNT

|  | 2014<br>£      | 2013<br>£      |
|--|----------------|----------------|
| Balance brought forward as previously reported | 225,668        | 125,637        |
| Prior year adjustment                          | -              | 49,419         |
| Balance brought forward restated               | <u>225,668</u> | <u>175,056</u> |
| Profit for the financial year                  | 47,221         | 50,612         |
| Balance carried forward                        | <u>272,889</u> | <u>225,668</u> |