Company Registration No. 4330385 (England and Wales)

BORISSA LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

BORISSA LIMITED

COMPANY INFORMATION

Directors	C L Tippet	
	T J Flanagan	(Appointed 27 March 2008)
Secretary	A Davies	
Company number	4330385	
Registered office	Park House 26 North End Road London NW11 7PT	
Auditors	DTE Business Advisory Services Limited Chartered Accountants and Registered Auditors Park House 26 North End Road London NW11 7PT	
Bankers	HSBC Bank Plc Harry Weston Road Binley Coventry CV3 2TQ	
	Irish Nationwide Building Society 18 Donegall Square East Belfast BT1 5HE	
Solicitors	Howard Kennedy 19 Cavendish Square London W1A 2AW	

BORISSA LIMITED

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BORISSA LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities
The principal activity of the company during the year was that of property investment and management.

Results and dividends
The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors
The following directors have held office since 1 January 2008:

C L Tippet	
T J Flanagan	(Appointed 27 March 2008)

Directors' responsibilities
The directors are responsible for preparing 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). 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 those 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

On behalf of the board

C L Tippet
Director
25/6/2009

BORISSA LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BORISSA LIMITED

We have audited the financial statements of Borissa Limited for the year ended 31 December 2008 set out on pages 5 to 14. 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 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1 .

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 directors' report 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BORISSA LIMITED

Opinion

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 December 2008 and of its loss for the year then ended;
- the information given in the directors' report is consistent with the financial statements; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

DTE Business Advisory Services Ltd

DTE Business Advisory Services Limited
Chartered Accountants and Registered Auditors
Park House
26 North End Road
London
NW11 7PT

26 June 2009

BORISSA LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	220,993	205,897
Administrative expenses		(24,716)	(17,598)
Operating profit	3	196,277	188,299
Other interest receivable and similar income	4	625	494
Interest payable and similar charges	5	(219,177)	(227,429)
Loss on ordinary activities before taxation		(22,275)	(38,636)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	11	(22,275)	(38,636)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BORISSA LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	7		3,300,000		3,300,000
Current assets					
Debtors	8	97,502		41,185	
Cash at bank and in hand		25,026		1,057	
		122,528		42,242	
Creditors: amounts falling due within one year	9	(3,554,958)		(3,452,397)	
Net current liabilities			(3,432,430)		(3,410,155)
Total assets less current liabilities			(132,430)		(110,155)
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		(132,431)		(110,156)
Shareholders' funds	12		(132,430)		(110,155)

Approved by the Board and authorised for issue on 25/06/09

C L Tippet
Director

BORISSA LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008		2007
	£	£	£	£
Net cash inflow from operating activities		165,461		100,453
Returns on investments and servicing of finance				
Interest received	625		494	
Interest paid	(219,177)		(227,429)	
Net cash outflow for returns on investments and servicing of finance		(218,552)		(226,935)
Net cash outflow before management of liquid resources and financing		(53,091)		(126,482)
Financing				
Intra-group loans	95,535		112,091	
Other new short term bank loans	-		8,436	
Repayment of other short term loans	(18,475)		-	
Net cash inflow from financing		77,060		120,527
Increase/(decrease) in cash in the year		23,969		(5,955)

BORISSA LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
1	**Reconciliation of operating profit to net cash inflow from operating activities**		
		£	£
	Operating profit	196,277	188,299
	Increase in debtors	(56,317)	(5,285)
	Increase/(decrease) in creditors within one year	25,501	(82,561)
	Net cash inflow from operating activities	165,461	100,453

		1 January 2008	Cash flow	Other non-cash changes	31 December 2008
2	**Analysis of net debt**				
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,057	23,969	-	25,026
	Debt:				
	Intra-group loans	(258,082)	(95,535)	-	(353,617)
	Debts falling due within one year	(2,791,832)	18,475	-	(2,773,357)
		(3,049,914)	(77,060)	-	(3,126,974)
	Net debt	(3,048,857)	(53,091)	-	(3,101,948)

		2008	2007
3	**Reconciliation of net cash flow to movement in net debt**	£	£
	Increase/(decrease) in cash in the year	23,969	(5,955)
	Cash inflow from increase in debt	(77,060)	(120,527)
	Movement in net debt in the year	(53,091)	(126,482)
	Opening net debt	(3,048,857)	(2,922,375)
	Closing net debt	(3,101,948)	(3,048,857)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

These financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption is dependent upon the continued support from the company's bankers, certain creditors, other related companies and its immediate parent company. If the company were unable to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The directors have considered the period ahead and addressed the company's performance in light of the current economic downturn. The directors had anticipated losses for 2008, which has come to fruition. The directors anticipate a small loss for 2009 and a small profit in 2010. With regard to the bank loans highlighted in note 9 to the financial statements, the company has not felt it necessary to seek written commitment that the loan facility will be renewed, and no matters have arisen since the end of the loan term to suggest that renewal would not be forthcoming on acceptable terms. The fact that the loan has continued on the same terms since March 2004 would appear to bear this out. The directors have received assurances from the immediate parent and related undertakings that existing liabilities will not be called upon until the company is in a position to repay them. In addition, continued funding will be provided to support the company for the foreseeable future whilst it moves towards profitability and to enable it to meet its day-to-day commitments from cash flows. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis in preparing the annual report and accounts.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents rents receivable and amounts derived from ordinary activities net of VAT.

Rental income from investment property leased out under an operating lease is recognised in the profit and loss account on a straight line basis over the term of the lease.

1 Accounting policies (continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets comprise investment properties.

Investment properties are stated at their open market valuation at the balance sheet date. Net surpluses are credited to the revaluation reserve. Any deficit arising on revaluation which is expected to be permanent is written off to the profit and loss account. Other deficits on revaluation not expected to be permanent are taken to the statement of total recognised gains and losses.

In accordance with SSAP19, no depreciation or amortisation is provided in respect of the investment properties. The treatment of the company's investment properties is a departure from the requirements of the Companies Act 1985 concerning depreciation of fixed assets. However these properties are not held for consumption but for investment and the director considers that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.5 Deferred taxation

In accordance with the requirements of FRS19, deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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.

2 Turnover

	Turnover	
	2008	2007
	£	£
Class of business		
Rents receivable and related income	220,993	205,897
	220,993	205,897

Turnover for the year has been derived from the company's principal activities wholly undertaken in the United Kingdom.

3 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	2,400	2,400

4 Investment income

	2008	2007
	£	£
Bank interest	625	494
	625	494

5 Interest payable

	2008	2007
	£	£
On bank loans and overdrafts	219,177	227,429

6 Taxation

	2008	2007
	£	£
Current tax charge	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(22,275)	(38,636)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007: 30.00%)	(6,237)	(11,591)
Effects of:		
Non deductible expenses	131	412
Group relief	6,106	-
Unrelieved losses carried forward	-	11,179
	6,237	11,591
Current tax charge	-	-

The company has estimated losses of £ 65,000 (2007: £ 65,000) available for carry forward against future trading profits.

The company has an unprovided deferred tax asset amounting to £18,000 (2007: £19,500) relating to tax losses carried forward and capital allowances.

On the basis of these financial statements no provision has been made for corporation tax.

7 Tangible fixed assets

	Investment properties £
Cost	
At 1 January 2008 & at 31 December 2008	3,300,000

At 31 December 2008, the directors were of the opinion that the open market valuation of the freehold investment properties had not materially altered since their last external valuation in July 2007.

No depreciation is provided in respect of these properties.

On a historical cost basis, these would have been included at an original cost of £3.3m (2007: £3.3m) and aggregate depreciation of £Nil.

8 Debtors

	2008 £	2007 £
Trade debtors	69,182	-
Other debtors	-	550
Prepayments and accrued income	28,320	40,635
	97,502	41,185

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	2,773,357	2,791,832
Trade creditors	15,763	17,083
Amounts owed to parent and fellow subsidiary undertakings	353,617	258,082
Taxes and social security costs	13,098	6,073
Other creditors	134,687	134,687
Accruals and deferred income	264,436	244,640
	3,554,958	3,452,397

The bank loans amounting to £2,773,357 (2007: £2,791,832) bear interest at a rate of LIBOR plus 2.25% and are secured by a mortgage debenture, a first legal charge over the assets and property of the company, and by a personal guarantee given by R A Bourne (see Note 16). The original loan was taken out in March 2002 and expired in March 2004, since when it has continued on a year-to-year basis on the same terms and conditions.

At 31 December 2008, the total secured creditors amounted to £2,773,357 (2007: £2,791,832).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

10 Share capital

	2008	2007
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

11 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2008	(110,156)
Loss for the year	(22,275)
Balance at 31 December 2008	(132,431)

12 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Loss for the financial year	(22,275)	(38,636)
Opening shareholders' funds	(110,155)	(71,519)
Closing shareholders' funds	(132,430)	(110,155)

13 Contingent liabilities

The company has provided guarantees in connection with the bank loans of a fellow subsidiary. The amount outstanding under these arrangements in connection with that fellow subsidiary at the balance sheet date was £3,308,707 (2007: £3,330,863).

14 Employees

Number of employees
There were no employees during the year apart from the directors.

15 Ultimate parent company

The immediate parent company is Happybadge Projects Limited, a company registered in England and Wales. The ultimate parent company is Bourne Capital Properties Limited, a company registered in Cyprus.

Happybadge Projects Limited prepares group financial statements and copies can be obtained from Park House, 26 North End Road, London NW11 7PT.

16 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the immediate parent company.

Included in other creditors is an amount of £134,687 (2007: £134,687) owed to Robourne Limited, a company in which R A Bourne has an interest.

The director has provided a personal guarantee in relation to a bank facility granted to this company and another fellow subsidiary in which he is a director up to an aggregate of £1,000,000 (2007: £1,000,000).

The ultimate controlling party is R A Bourne by virtue of his beneficial interest in a trust that has a material interest in the ultimate parent company.