

REGISTERED NUMBER: 591626

MOUNTBARROW PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2009

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Directors	J F M Rodwell (Chairman) G R S Broke Mrs L Stuttaford A E Fanshawe
Company Secretary	S Tuck
Registered Office	1 College Hill London EC4R 2SU
Bankers	Royal Bank of Scotland London Service Centre 4th Floor Regents House 42 Islington High Street London N1 8XL
Auditors	Littlejohn LLP Chartered Accountants and Registered Auditors 1 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Company Registration Number	591626

The Directors have pleasure in presenting their Report together with the Financial Statements for the year ended 31 March 2009.

Principal Activity

The principal activity of the Company continued throughout the year to be that of the management and letting of properties.

Results and Dividends

The result is set out in the Profit and Loss Account on page 6. No dividend was paid during the year (2008 - £Nil) and the Directors do not recommend the payment of a dividend.

The Directors are pleased with the result for the year and look forward to the future with confidence.

The Company has made a payment under deed of covenant totalling £108,807 (2008 - £119,849) to the parent company, a charity registered in the United Kingdom.

Directors and their Interests in Shares

The Directors of the Company who served during the year are shown on page 2.

None of the Directors had any interest in the share capital of the Company.

Freehold Land and Buildings

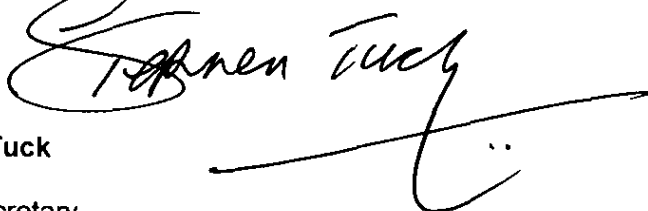
Freehold land and buildings held as investment properties have been valued at £1,475,000, which the Directors believe is a reasonable estimate of their value at 31 March 2009.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Our independent auditors, Littlejohn, have transferred their business to Littlejohn LLP, a limited liability partnership. In accordance with section 26(5) of the Companies Act 1989, the Directors have consented to the extension of the audit appointment of Littlejohn to its successor firm, Littlejohn LLP. Littlejohn LLP has signified its willingness to continue in office as auditors.

By Order of the Board



S Tuck

Secretary

30 September 2009

Company law requires the Directors to prepare Financial Statements for each financial year which 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 year. 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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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. The Directors are responsible for ensuring that the Directors' Report is prepared in accordance with Company Law in the United Kingdom.

Independent Auditors' report to the shareholders of Mountbarrow Properties Limited

We have audited the Financial Statements of Mountbarrow Properties Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the Statement of Total Recognised Gains and Losses and the related notes 1 to 13. These Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and 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.

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 if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if 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 transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

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 judgments 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.

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 March 2009 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Financial Statements.

Littlejohn LLP

Chartered Accountants
and Registered Auditors

30 September 2009

1 Westferry Circus
Canary Wharf
London E14 4HD

MOUNTBARROW PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2009

	Note	2009	2008
Gross Income from Investment Properties	1	98,750	98,749
Property outgoings		(1,767)	-
		<hr/>	<hr/>
		96,983	98,749
Interest receivable	3	41,113	52,520
Sundry income		100	150
		<hr/>	<hr/>
		138,196	151,419
Administrative expenses		(29,389)	(31,570)
		<hr/>	<hr/>
Profit on Ordinary Activities before Deed of Covenant and Taxation	2	108,807	119,849
Payment under deed of covenant		(108,807)	(119,849)
		<hr/>	<hr/>
Result on Ordinary Activities before Taxation		-	-
Tax on result on ordinary activities	4	-	-
		<hr/>	<hr/>
Result for the Financial Year		£-	£-
		<hr/>	<hr/>
Statement of Total Recognised Gains and Losses			
Result for the financial year		-	-
Unrealised gain on revaluation of investment properties	5	-	-
		<hr/>	<hr/>
Total Recognised Gains Relating to the Year		£-	£-
		<hr/>	<hr/>

None of the Company's activities were acquired or discontinued in either financial year.

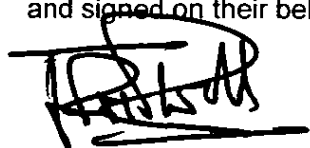
The Accounting Policies and Notes on pages 8 to 10 form part of these Financial Statements.

MOUNTBARROW PROPERTIES LIMITED

BALANCE SHEET
At 31 March 2009

	Note	2009	2008
Fixed assets			
Investment properties	5	1,475,000	1,475,000
Current assets			
Debtors	6	2,328,669	2,341,235
Cash at bank		25	120
		<u>2,328,694</u>	<u>2,341,355</u>
Creditors: amounts falling due within one year	7	(135,913)	(148,574)
		<u>2,192,781</u>	<u>2,192,781</u>
Net current assets		2,192,781	2,192,781
Net assets		£3,667,781	£3,667,781
Capital and reserves			
Called-up share capital		10,000	10,000
Revaluation reserve	9	770,575	770,575
Profit and loss account	10	2,887,206	2,887,206
		<u>£3,667,781</u>	<u>£3,667,781</u>
Equity shareholders' funds	11	£3,667,781	£3,667,781

Approved by the Board of Directors on 30 September 2009
and signed on their behalf by:



J F M Rodwell

Director

The Accounting Policies and Notes on pages 8 to 10 form part of these Financial Statements.

Basis of Accounting

The Financial Statements have been prepared under the historical cost basis of accounting, as modified by the revaluation of investment properties, and in accordance with applicable United Kingdom Accounting and Financial Reporting Standards. Compliance with Statement of Standard Accounting Practice No. 19 (SSAP 19) 'Accounting for Investment Properties' requires a departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of this departure is given below. The Company has taken advantage of the exemption from the requirements of Financial Reporting Standard (FRS) No.8 - Related Party Disclosures as it is a wholly owned subsidiary.

Income

Rental income from the investment properties is recognised when receivable.

Investment Properties

Investment properties are revalued annually by the Directors following professional advice from qualified quantity surveyors. Surpluses and deficits on revaluation have been taken to a revaluation reserve with the movement reflected in the statement of total recognised gains and losses. This policy has been adopted to provide a true and fair view of the Company's position.

Sales of investment properties are recognised in the Financial Statements at the date of exchange, where this is not subject to conditions, as the equitable interest has passed to the purchaser at this date. If a contract is conditional, credit for a sale is taken when the last material condition has been satisfied.

Depreciation

In accordance with SSAP 19, no depreciation is provided in respect of freehold properties held as fixed asset investments. This departure from the requirements of the Companies Act 1985 for all properties to be depreciated is, in the opinion of the Directors, necessary for the Financial Statements to give a true and fair view. Investment properties are included in the Financial Statements at their estimated open market value.

Cash Flow Statement

A cash flow statement has not been prepared as the Company has taken advantage of the exemption under FRS 1 available to the wholly owned subsidiaries of a company which prepares group Financial Statements.

1. Gross Income from Investment Properties

This represents gross rental income receivable from the letting of properties.

2. Result on Ordinary Activities before Taxation**2009****2008**

This is stated after charging:

Directors' emoluments		£ 21,000	£ 21,000
Social security costs		£ 1,485	£ 1,505
Auditors' remuneration - audit	2,300		
- current year			
- prior year overprovision	(588)		
		£ 1,712	£ 2,585
- other services - current year	1,150		
- prior year overprovision	(680)		
		£ 470	£ 1,719
		<hr/>	<hr/>

Directors' fees disclosed above include amounts paid for:

Highest paid director	£ 17,000	£ 17,000
	<hr/>	<hr/>

The Company had no other employees during the year.

3. Interest Receivable

Interest receivable includes £41,113 (2008 - £52,520) on loans to fellow subsidiary undertakings referred to in Note 6.

4. Taxation

The tax charge for the year is £Nil (2008 - £Nil). The result before taxation as at 31 March 2009 is equal to the taxable result.

5. Investment Properties**Freehold land
and buildings****At valuation****2009**

At beginning and end of year

£1,475,000

Investment properties are stated at open market value with an original cost of £704,425 (2008 - £704,425). The properties are revalued annually by the Company's Directors.

6. Debtors**2009****2008**

Amounts due from parent undertaking	1,282,537	1,344,550
Amounts due from fellow subsidiary undertakings	1,037,799	996,685
Other debtors	8,333	-
	<hr/>	<hr/>
	£2,328,669	£2,341,235
	<hr/>	<hr/>

The amounts due from the parent undertaking are unsecured and payable on demand. Most of the amounts owed by fellow subsidiary undertakings bear interest at an average bank rate for the year.

7. Creditors: amounts falling due within one year	2009	2008
Amount due to parent undertaking - deed of covenant	108,807	119,849
PAYE and social security costs	863	880
Accruals and deferred income	26,243	27,845
	<u>£135,913</u>	<u>£148,574</u>

The amount owed to the parent undertaking is secured on the freehold properties.

8. Called-up Share Capital	2009	2008	2009	2008
	Authorised		Allotted, called-up and fully paid	
Ordinary £1 shares	<u>£1,000,000</u>	<u>£1,000,000</u>	<u>£10,000</u>	<u>£10,000</u>

9. Revaluation Reserve	2009	2008
At beginning and end of year	<u>£770,575</u>	<u>£770,575</u>

10. Profit and Loss Account	2009	2008
At beginning and end of year	<u>£2,887,206</u>	<u>£2,887,206</u>

11. Reconciliation of Movements in Shareholders' Funds	2009	2008
Opening shareholders' funds	3,667,781	3,667,781
Result for the year	-	-
Closing Shareholders' Funds	<u>£3,667,781</u>	<u>£3,667,781</u>

12. Ultimate Parent Company

Hedley Foundation Limited, a charitable company incorporated in England & Wales, is the ultimate parent company. Hedley Foundation Limited prepares group Financial Statements and these are publicly available from Companies House, Cardiff CF14 3UZ.

13. Related Parties

There have been no related party transactions in the year apart from those between the Company and other members of the Hedley Foundation Group.