

BAGNALL COURT LIMITED

**Directors' Report and Financial
Statements
For The Year Ended 31 December 2010**

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COMPANIES HOUSE

BAGNALL COURT LIMITED

DIRECTORS AND ADVISERS

Directors	Sebert Cox OBE Philip Newborough
Secretary	Rory Maw
Company number	5250011
Registered office	1 Craven Hill London W2 3EN
Auditors	BSG Valentine Chartered Accountants Lynton House 7-12 Tavistock Square London WC1H 9BQ

BAGNALL COURT LIMITED DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2010

Results and dividend

The loss for the period after tax was £197,687 (2009 £204,486) The directors do not recommend the payment of a dividend

Principal activities

The principal activity of the company is that of property investment

Principal risks and uncertainties

The Company is reliant on the capital and income growth of its investment property The directors continue to monitor the property market to ensure a suitable return is made on the investment

Fair review of the business

The key financial highlights are as follows

	2010	2009	2008
	£	£	£
Profit and loss account			
Gross rental income	566,311	546,730	528,390
Profit before interest	530,966	515,888	500,344
Net interest expense	(728,780)	(720,374)	(704,495)
Balance sheet			
Investment property	8,383,788	8,383,788	8,383,788
Net assets	(2,296,194)	(2,098,380)	(1,893,894)

Directors

The following directors have held office during the period

Philip Newborough
Sebert Cox OBE

Statement of Directors' Responsibilities

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 those financial statements, the directors are required to

BAGNALL COURT LIMITED DIRECTORS' REPORT

- 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board



J R H Maw

Company Secretary

7.7.11

**BAGNALL COURT LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAGNALL
COURT LIMITED**

We have audited the financial statements of Bagnall Court Limited for the year ended 31 December 2010 on pages 6 to 12. 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 shareholders, 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 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 (APB'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 directors, and the overall presentation of the financial statements.

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 2010 and of its result 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.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £197,814 during the year ended 31 December 2010 and, at that date, the company had a deficit on its balance sheet of £2,296,194. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**BAGNALL COURT LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAGNALL
COURT LIMITED**

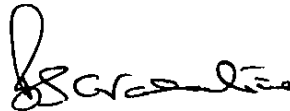
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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 and the directors' report in accordance with the small companies regime



NELSON COLACO (Senior Statutory Auditor)

For and on behalf of
BSG VALENTINE
Chartered Accountants
& Statutory Auditor

Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

7.7.11

BAGNALL COURT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
Rental income	2	566,311	546,730
Administrative expenses		(35,345)	(30,842)
Operating profit	3	530,966	515,888
Interest receivable and similar income	4	70	-
Interest payable and similar charges	5	(728,850)	(720,374)
Loss on ordinary activities before taxation		(197,814)	(204,486)
Tax on profit on ordinary activities	6	-	-
Loss on ordinary activities after taxation	14	(197,814)	(204,486)

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

The accompanying notes on pages 9 to 12 form an integral part of this profit and loss account


BAGNALL COURT LIMITED
BALANCE SHEET
YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Fixed assets			
Investment properties	8	8,383,788	8,383,788
Current assets			
Debtors	9	62,280	61,587
Cash at bank and in hand		119,149	113,144
		<u>181,429</u>	<u>174,731</u>
Creditors: amounts falling due within one year	10	166,728	168,074
Net current assets/(liabilities)		14,701	6,657
Total assets less current liabilities		8,398,489	8,390,445
Creditors: amounts falling due after more than one year	11	(10,694,683)	(10,488,825)
Net liabilities		<u>(2,296,194)</u>	<u>(2,098,380)</u>
Capital and reserves			
Called up share capital	12	100	100
Revaluation reserve	13	(1,429,211)	(1,429,211)
Profit and loss account	13	(867,083)	(669,269)
Equity shareholders' funds		<u>(2,296,194)</u>	<u>(2,098,380)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the directors and authorised for issue on and are signed on their behalf by

7th July 2011



Director
(P. Newbrough)
Company registration number 5250011

The accompanying notes on pages 9 to 12 form an integral part of this balance sheet

BAGNALL COURT LIMITED
RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
YEAR ENDED 31 DECEMBER 2010

	2010	2009
	£	£
Loss for the financial year	(197,814)	(204,486)
Net decrease in shareholders' funds	(197,814)	(204,486)
Opening shareholders' funds	(669,269)	(464,783)
Closing shareholders' funds	(867,083)	(669,269)

BAGNALL COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the Company's operations as indicated in the directors' report, all of which are continuing

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.3 Investment properties

Investment properties are accounted for in accordance with the FRSSE They are valued annually The surplus or deficit on revaluation is transferred to the revaluation reserve unless on an individual property the deficit below original cost is expected to be permanent, in which case it is recognised in the profit and loss account for the year

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

1.4 Cost of loan finance

The costs associated with raising loan finance are capitalised and offset against the related loan balance These costs are amortised to the profit and loss account over the life of the loan

1.5 Going concern

The company is dependent on the continuing financial support from its parent company They have confirmed that they will continue to provide financial assistance to the company for a minimum of 12 months from the approval of these financial statements Based on this the director is therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis

2. Rental income

The rental income of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom, net of Value Added Tax

3. Operating profit

Operating profit is stated after charging

	2010	2009
	£	£
Auditors' remuneration	3,000	2,875

BAGNALL COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

4. Interest receivable and similar income

	2010	2009
	£	£
Interest on late payment of rent	70	-

5. Interest payable and similar charges

	2010	2009
	£	£
Bank loan interest	523,471	528,447
Other loan interest	205,379	191,927
	<u>728,850</u>	<u>720,374</u>

6. Tax on profit on ordinary activities

Due to the availability of tax losses, no provision is required for corporation tax

7. Employees

The average number of employees during the year was nil. None of the directors received any remuneration in the year

8. Fixed Assets

	Investment Property £
Cost or valuation	
As at 31 December 2009	8,383,788
As at 31 December 2010	<u>8,383,788</u>

The valuation of the investment property as at 31 December 2010 is on the basis of Open Market Value and has been made by a suitably qualified director

On an historical cost basis the property would have been included at an original cost of £9,812,999

BAGNALL COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

9. Debtors

	2010	2009
	£	£
Trade debtors	44,640	44,688
Other debtors	406	200
Prepayments and accrued income	17,234	16,699
	<u>62,280</u>	<u>61,587</u>

10. Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	5,316	5,316
Other creditors and accruals	161,412	162,758
	<u>166,728</u>	<u>168,074</u>

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

	2010	2009
	£	£
Bank loan	7,978,424	7,976,558
Other loan – 8% Subordinated Secured Loan Notes 2017	2,716,259	2,512,267
	<u>10,694,683</u>	<u>10,488,825</u>
 Loan maturity analysis		
In more than one year but not more than two years	-	-
In more than two years but not more than five years	52,000	32,000
In more than five years	10,642,683	10,456,825
	<u>10,694,683</u>	<u>10,488,825</u>

The company has pledged its investment property as security against a mortgage taken out by the company

BAGNALL COURT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

12. Called up share capital

	2010 £	2008 £
Authorised:		
20,000 ordinary shares of £1 each	20,000	20,000
Allotted, issued and fully paid:		
100 ordinary share of £1 each	100	100

13. Statement of movement on reserves

	Revaluation Reserve £	Profit and loss account £	Total £
As at 1 January 2010	(1,429,211)	(669,269)	(2,098,480)
Loss for the financial year	-	(197,814)	(197,814)
As at 31 December 2010	(1,429,211)	(867,083)	(2,296,294)

14. Related party transactions

Included within interest payable is an amount of £205,379 (2009 £191,927) in respect of 8% Subordinated Secured Loan Notes 2017 due to Bridges Community Ventures Nominees Limited, of which £18,457 (2009 £17,070) is included within accruals at the year end

Monitoring fees of £7,075 (2009 £6,900) are payable to Bridges Ventures Limited

Included within accruals is an amount of £3,000 (2009 £2,938) in respect of monitoring fees due to Bridges Ventures Limited

All transactions were carried out on an arm's length basis

15. Control

The parent undertaking is Bridges Community Ventures Nominees Limited, a company incorporated in England and Wales. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ

The ultimate parent undertaking is Bridges Ventures Limited, a company incorporated in England and Wales. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ