

120 Campden Hill Road Limited

**Directors' report and financial
statements**

Registered number 3892404

31 March 2008

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Directors' report

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

Principal activities

The principal activity of the company is that of a property holding company.

Business review

The results for the year are set out on page 4 of the financial statements and the loss for the year of £2,375 (2007: £10,663) has been transferred to reserves.

Post balance sheet events

On 29 February 2008, the company entered into a sale and purchase agreement to sell the property at 120 Campden Hill Road for £8,770,000. On 5 March 2008 the buyer paid a 10% deposit of £877,000 into a treasury reserve account. On completion of the transaction on 29 August 2008 the above deposit was released to the company with total proceeds received being £8,678,997. These proceeds were used to repay bank loans.

Proposed dividend

The directors do not recommend the payment of a dividend (2007: £Nil).

Directors

The directors of the Company during the year were as follows:

S M L Hall	(resigned 29 June 2007)
B A R Gerrard	(appointed 29 June 2007)
J E M Phillips	
G D McCallum	(alternate director)

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 each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that she ought to have taken as a director to make herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The members of the Company have passed elective resolutions in accordance with Sections 366A, 252 and 386 of the Companies Act 1985 dispensing with the previous statutory requirement of holding annual general meetings, laying accounts before the Company in general meetings and reappointing auditors annually.

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board



C A Drake
Secretary

The School House
50 Brook Green
London
W6 7RR
3 December 2008

Statement of directors' responsibilities in respect of the Director's Report and the financial statements

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 estimates that are reasonable and prudent;
- state whether applicable UK 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of 120 Campden Hill Road Limited

We have audited the financial statements of 120 Campden Hill Road Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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 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 members 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of the company's loss for the year then ended;
- the financial statements 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.



KPMG LLP
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

9 Dec 2008 2008

Profit and loss account
for the year ended 31 March 2008

	<i>Note</i>	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Turnover	<i>1</i>	377,000	377,000
Administrative expenses		<u>(114,066)</u>	<u>(117,040)</u>
Operating profit		262,934	259,960
Interest payable and similar charges	<i>4</i>	<u>(223,469)</u>	<u>(232,335)</u>
Profit on ordinary activities before taxation	<i>2</i>	39,465	27,625
Tax on profit on ordinary activities	<i>5</i>	<u>(41,840)</u>	<u>(38,288)</u>
Loss for the year	<i>11</i>	<u><u>(2,375)</u></u>	<u><u>(10,663)</u></u>

There were no recognised gains or losses in the current or preceding years other than those shown above, which were derived from continuing operations, consequently a statement of total recognised gains and losses has not been prepared.

The notes on pages 6 to 10 form part of these financial statements.

Balance sheet
as at 31 March 2008

	<i>Note</i>	2008 £	2007 £
Fixed assets			
Tangible assets	6	4,324,703	4,424,703
Current assets			
Cash at bank and in hand		45,790	37,174
Creditors: amounts falling due within one year	7	<u>(1,687,201)</u>	<u>(1,633,150)</u>
Net current liabilities		<u>(1,641,411)</u>	<u>(1,595,976)</u>
Total assets less current liabilities		<u>2,683,292</u>	<u>2,828,727</u>
Creditors due after more than one year	8	<u>(2,866,407)</u>	<u>(3,009,467)</u>
Net liabilities		<u>(183,115)</u>	<u>(180,740)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	<u>(183,116)</u>	<u>(180,741)</u>
Shareholders' deficit	11	<u>(183,115)</u>	<u>(180,740)</u>

The notes on pages 6 to 10 form part of these financial statements.

These financial statements were approved by the board of directors on 3rd December 2008 and were signed on its behalf by:



B A R Gerrard
 Director

Notes

1 Accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis, as following the exchange of contracts on the disposal of the property (see note 12), the directors believe that having reviewed the Company's cash flow forecasts, cash receivable on the completion of the sale will enable the company to meet its liabilities as they fall due, for at least the next twelve months.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As a 100 % owned subsidiary of Barfair Limited, the Company has taken advantage of the exemption under FRS8: Related Party Disclosures, which enables it to exclude disclosure of transactions with Barfair Limited and its subsidiaries.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings - 2% per annum

The purchase or sale of freehold properties are recorded on completion of such transactions.

Leases

Operating lease rental income is charged to the profit and loss account on a straight line basis with any rental increases recognised during the year to which they relate.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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.

Turnover

Turnover represents the amounts receivable for property rental to related undertakings in the United Kingdom.

Notes (continued)

2 Profit on ordinary activities before taxation

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit of these financial statements	2,534	2,082
Depreciation and other amounts written off tangible fixed assets	100,000	100,000
	<u> </u>	<u> </u>

3 Remuneration of directors

The directors did not receive any remuneration during the year for services to the Company (2007: £nil).

4 Interest payable and similar charges

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
On bank loans and overdrafts	223,469	232,335
	<u> </u>	<u> </u>

Notes (continued)

5 Taxation

Analysis of charge in year

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
<i>UK corporation tax</i>		
Current tax on income for the year	41,840	38,288

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2007: higher) than the standard rate of corporation tax in the UK (30%, 2007: 30%). The differences are explained below.

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	39,465	27,625
Current tax at 30% (2007: 30%)	11,840	8,288
<i>Effects of:</i>		
Expenses not deductible for tax purposes (primarily depreciation on assets not qualifying for capital allowances)	30,000	30,000
Total current tax charge	41,840	38,288

6 Tangible fixed assets

	Freehold buildings £
<i>Cost</i>	
At 31 March 2007 and 31 March 2008	5,000,000
<i>Depreciation</i>	
At 31 March 2007	575,297
Charge for year	100,000
At 31 March 2008	675,297
<i>Net book value</i>	
At 31 March 2008	4,324,703
At 31 March 2007	4,424,703

The above amounts relate wholly to assets used by the company to fulfil its obligations as lessors under operating leases. None of the original purchase price was allocated to freehold land.

Notes (continued)

7 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans	143,060	133,563
Amounts owed to group undertakings	1,309,916	1,307,916
Corporation tax	225,324	183,484
Accruals and deferred income	8,901	8,187
	<u>1,687,201</u>	<u>1,633,150</u>

8 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Bank loans (note 12)	<u>2,866,407</u>	<u>3,009,467</u>

Analysis of debt:

	2008 £	2007 £
Debt can be analysed as falling due:		
Within one year	143,060	133,563
Between one and two years	153,231	143,060
Between two and five years	528,217	493,153
In five years or more	2,184,959	2,373,254
	<u>3,009,467</u>	<u>3,143,030</u>

Bank loans relate to a mortgage secured on the property at 120 Campden Hill Road. Terms are 20 years at a fixed rate of 7.11% per annum payable monthly.

The above bank loans were repaid in full on 29 August 2008. See note 12.

9 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
1 Ordinary shares of £1.00 each	<u>1</u>	<u>1</u>

Notes (continued)

10 Reserves

	Profit and loss Account 2008 £	Profit and Loss Account 2007 £
Balance at beginning of year	(180,741)	(170,078)
Retained loss for the year	(2,375)	(10,663)
	(183,116)	(180,741)
	(183,116)	(180,741)

11 Reconciliation of Shareholders' deficit

	2008 £	2007 £
Loss for the financial year	(2,375)	(10,663)
Opening Shareholders' deficit	(180,740)	(170,077)
	(183,115)	(180,740)
	(183,115)	(180,740)

12 Post balance sheet events

On 29 February 2008, the company entered into a sale and purchase agreement to sell the property at 120 Campden Hill Road for £8,770,000. On 5 March 2008 the buyer paid a 10% deposit of £877,000 into a treasury reserve account. On completion of the transaction on 29 August 2008 the above deposit was released to the company with total proceeds received being £8,678,997. These proceeds were used to repay bank loans.

13 Ultimate parent company

At 31 March 2008 the Company's ultimate parent undertaking was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest and smallest group in which the Company's results are consolidated is Barfair Limited, a company registered in England. Copies of these group accounts can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.