

**Beeson Property Investments Limited**

**Directors' report and financial  
statements**

Registered number 06392895

31 December 2010

TUESDAY



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## Directors' report

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

### Business review and principal activities

The Company is a wholly owned subsidiary of International Group Limited and operates as part of International Group Limited's property division

The Company's principal activities are property trading and development in the UK. During the year the Company's shareholdings in its subsidiary, Maplecross Properties Limited, which owns freehold land with planning permission was reduced to 50% through a share subscription to a third party. The shareholders agreement changes the Company's investment and control in Maplecross Properties Limited to a joint venture. The Directors are not, at the date of this report, aware of any likely major changes in the Company's activities in the forthcoming year.

As shown in the Company's profit and loss account on page 6, the Company reported a profit after tax of £4,249,000 (2009 loss £224,000) for the year. A dividend of £10,250,000 was received from Maplecross Properties Limited during the year, this was used to repay the bank loan, however, the accounting treatment adopted following the share subscription to a third party is a partial deemed disposal. This results in an exceptional gain of £4,620,000 instead of the dividend received being included within the above profit after tax. No actual disposal of shares was made by the Company.

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end and it is in line with the prior year.

International Group Limited manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the property division of International Group Limited, which includes the Company, is discussed in International Group Limited's Annual Report which does not form part of this Report.

### Proposed dividend

The directors do recommend the payment of a dividend (2009 *£nil*)

### Directors

The directors who held office during the period were as follows

R M King  
H M King  
W M King  
C M King

### Political and charitable contributions

The Company made no political or charitable donations during the period (2009 *£nil*)

### 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Directors' report** *(continued)*

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

**HM King**  
*Director*

Stoke Park  
Park Road  
Stoke Poges  
Bucks  
SL2 4PG

2012

## **Statement of directors' responsibilities in respect of the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 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 have 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.

ABCD

**KPMG LLP**

Aquis Court  
31 Fishpool Street  
St Albans  
AL3 4RF  
United Kingdom

**Independent auditor's report to the members of Beeson Property Investments Limited**

We have audited the financial statements of Beeson Property Investments Limited for the year ended 31 December 2010, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the Company's members, 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 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and express an opinion on 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**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter 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.

## **Independent auditor's report to the members of Beeson Property Investments Limited** *(continued)*

### **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

**David J Burridge (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

Aquis Court  
31 Fishpool Street  
St Albans  
Hertfordshire  
AL3 4RF

**Profit and Loss Account**  
*for the year ended 31 December 2010*

*Note*

		<b>2010</b>	2009
		<b>£000</b>	£000
<b>Turnover</b>		-	-
Cost of sales		(132)	-
		<hr/>	<hr/>
<b>Gross loss</b>		(132)	-
Administrative expenses		(76)	(75)
		<hr/>	<hr/>
<b>Operating loss</b>		(208)	(75)
Exceptional item profit on deemed disposal	5	4,620	-
Interest payable and similar charges	6	(163)	(149)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>	2	4,249	(224)
Tax on profit on ordinary activities	7	-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>	<i>14</i>	<u>4,249</u>	<u>(224)</u>

The results for the current and preceding year were derived from continuing operations

There are no recognised gains or losses during the current or preceding year other than that reflected in the profit and loss account



**Balance Sheet**  
*at 31 December 2010*

	<i>Note</i>	<b>2010</b>	<b>2009</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Investments	8	5,374	10,228
		<u>5,374</u>	<u>10,228</u>
<b>Current assets</b>			
Stocks	9	-	823
Debtors	10	1,119	9
Cash at bank and in hand		-	246
		<u>1,119</u>	<u>1,078</u>
<b>Creditors amounts falling due within one year</b>	11	<b>(3,337)</b>	<b>(12,399)</b>
		<u>(2,218)</u>	<u>(11,321)</u>
<b>Net current liabilities</b>		<b>(2,218)</b>	<b>(11,321)</b>
		<u>3,156</u>	<u>(1,093)</u>
<b>Net assets/(liabilities)</b>		<b>3,156</b>	<b>(1,093)</b>
		<u>3,156</u>	<u>(1,093)</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	3,156	(1,093)
		<u>3,156</u>	<u>(1,093)</u>
<b>Shareholder's funds/(deficit)</b>	15	<b>3,156</b>	<b>(1,093)</b>
		<u>3,156</u>	<u>(1,093)</u>

These financial statements were approved by the board of directors on  
on its behalf by

2012 and were signed

**HM King**  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

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

Notwithstanding the Company's net current liabilities of £2,218,000 (2009 £11,321,000), the financial statements have been prepared on a going concern basis. The ultimate parent company has confirmed that it will continue to support the Company. The ultimate parent company has itself obtained continuing financial support from subsidiary companies to enable the ultimate parent company to trade as a going concern. On the strength of the assurance of continued support from the ultimate parent company, the financial statements have been prepared on the basis that the Company will be able to continue to trade as a going concern. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Under FRS 1 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 the Company is a wholly owned subsidiary of International Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of International Group Limited, within which this Company is included, can be obtained from the address given in note 17.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Taxation*

The charge for taxation is based on the profit/(loss) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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.

**Notes (continued)**

**1 Accounting policies (continued)**

**Investments**

Investments in group undertakings are stated at cost

**Turnover**

Turnover represents the amount (excluding value added tax) derived from property trading and development to customers. It is recognised as performed.

**2 Loss on ordinary activities before taxation**

Auditor's remuneration of £3,000 (2009 £3,000) has been borne by a fellow subsidiary undertaking.

**3 Remuneration of directors**

None of the directors received emoluments for their services to the Company during the year (2009 £nil).

Details of the amounts paid to the directors by International Group Limited can be found in the financial statements of that Company. These can be obtained from the address in note 17.

**4 Staff numbers**

	2010	2009
Directors	4	4
	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

**5 Exceptional item**

During the year the Company's shareholding in Maplecross Properties Limited was diluted from 100% to 50% following a share subscription in Maplecross Properties Limited by another third party. No actual disposal of shares was made by the Company. The proceeds received by Maplecross Properties Limited for its share issue was £10,250,000. The accounting investment in Maplecross Properties Limited was reduced to £5,114,000 and after disposal costs a profit on deemed disposal of £4,620,000 was recognised in the year.

**6 Interest payable and similar charges**

	2010 £000	2009 £000
On bank loans and overdrafts	163	149
	<u>163</u>	<u>149</u>

*Notes (continued)*

**7 Taxation**

*Analysis of charge in year*

	<b>2010</b>	2009
	<b>£000</b>	£000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<hr/>	<hr/>
Total current tax and tax on profit/(loss) on ordinary activities	-	-
	<hr/>	<hr/>

*Factors affecting the tax charge for the current year*

The current tax charge for the year is lower (*2009 higher*) than the standard rate of corporation tax in the UK 28%, (*2009 28%*) The differences are explained below

	<b>2010</b>	2009
	<b>£000</b>	£000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	<b>4,249</b>	(224)
	<hr/>	<hr/>
Current tax at 28% ( <i>2009 28%</i> )	<b>1,190</b>	(63)
<i>Effects of</i>		
Income not taxable for tax purposes	<b>(1,294)</b>	-
Additional tax losses arising in the year	<b>104</b>	63
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date. The change in corporation tax rate will affect the tax payable in future periods, but the effect is unlikely to be material.

*Notes (continued)*

**8 Fixed asset investments**

	<b>Investment in group undertakings £000</b>
<i>Cost</i>	
At beginning of period	10,228
Additions during the period	260
Deemed disposal during the period	(5,114)
	<hr/>
At end of period	5,374
	<hr/> <hr/>
<i>Net book value</i>	
At 31 December 2010	5,374
	<hr/> <hr/>
At 31 December 2009	10,228
	<hr/> <hr/>

The companies which the Company had an interest in at 31 December 2010 are as follows

<b>Undertakings</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class and percentage of shares held</b>
Maplecross Properties Limited	Guernsey	Property development	50% Ordinary

**9 Stocks**

	<b>2010 £000</b>	<b>2009 £000</b>
Work in progress	-	823
	<hr/>	<hr/>

**10 Debtors**

	<b>2010 £000</b>	<b>2009 £000</b>
Amounts owed by group undertakings	-	9
Amounts owed by joint venture undertaking	1,119	-
	<hr/>	<hr/>
	1,119	9
	<hr/> <hr/>	<hr/> <hr/>

**11 Creditors: amounts falling due within one year**

	<b>2010 £000</b>	<b>2009 £000</b>
Bank loan	-	10,000
Amounts owed to group undertakings	3,337	2,399
	<hr/>	<hr/>
	3,337	12,399
	<hr/> <hr/>	<hr/> <hr/>

*Notes (continued)*

**11 Creditors: amounts falling due within one year (continued)**

The bank loan was secured by way of the assets of the Company and a first legal charge over Witney Place, Denham Way, Rickmansworth WD3 9XD, which is owned by Maplecross Properties Limited. The loan attracted an interest rate of 3% above LIBOR. The bank loan was fully repaid during the year.

**12 Deferred tax**

A deferred tax asset of £395,000 (2009 £306,000) has arisen. The directors do not feel that it is appropriate to recognise this deferred tax asset in the light of current trading conditions.

The elements of deferred taxation are as follows:

	2010 £000	2009 £000
Tax losses	395	306
Undiscounted deferred tax asset	<u>395</u>	<u>306</u>

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date. The change in corporation tax rate will affect the tax payable in future periods, but the effect is unlikely to be material.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by 1% per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further reductions from 27% to 23% are unlikely to be material.

**13 Called up share capital**

	2010 £000	2009 £000
<i>Authorised,</i> 1,000 Ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i> 1 Ordinary shares of £1 each	-	-
Shares classified in shareholder's funds/(deficit)	-	-

**Notes (continued)**

**14 Reserves**

	<b>Profit and loss account £000</b>
At beginning of year	(1,093)
Profit for the financial year	4,249
	<hr/>
At end of year	<b>3,156</b>
	<hr/> <hr/>

**15 Reconciliation of movements in shareholder's funds/(deficit)**

	<b>2010 £000</b>	2009 £000
Profit/(loss) for the financial year	4,249	(224)
	<hr/>	<hr/>
Net increase/(reduction) in shareholder's funds/(deficit)	4,249	(224)
Opening shareholder's deficit	(1,093)	(869)
	<hr/>	<hr/>
Closing shareholder's funds/(deficit)	<b>3,156</b>	<b>(1,093)</b>
	<hr/> <hr/>	<hr/> <hr/>

**16 Commitments**

At the end of the financial year the Company had no unprovided capital commitments (2009 £nil)

**17 Ultimate parent company and parent undertaking of larger group of which the Company is a member**

The Company is a subsidiary undertaking of International Group Limited which is the ultimate parent company incorporated in the UK

The largest and smallest group in which the results of the Company are consolidated is that headed by International Group Limited, incorporated in the UK. No other group financial statements include the results of the Company. The consolidated financial statements of the group is available to the public and may be obtained from Stoke Park Club, Park Road, Buckinghamshire, SL2 4PG

**18 Related party transactions**

The Company is controlled by International Group Limited, the immediate parent undertaking, which controls 100% of the Company's voting rights

The Company's ultimate controlling party is RM King, by virtue of his shareholding in the ultimate parent Company