

**Beeson Property Investments Limited**

**Directors' Report and financial  
statements**

Registered number 06392895

For the year ended 31 December 2017



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## **Directors and Officers**

### **Directors**

RM King (Chairman)  
HM King  
WM King  
CM King

### **Company Secretary**

HM King

### **Registered Office**

Stoke Park  
Park Road  
Stoke Poges  
Buckinghamshire  
SL2 4PG

### **Auditor**

KPMG LLP  
58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE

## Strategic Report

The directors present their strategic report on the Company for the year ended 31 December 2017.

### Review of the business

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 and to act as a holding company. In July 2017 the Company's only joint venture entered in to a voluntary liquidation. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

### Results and performance

As shown in the Company's profit and loss account on page 7, the Company reported a loss of £1,181,000 (2016: loss of £1,734,000) for the year.

The balance sheet on page 8 of the financial statements shows the Company's financial position at the year-end.

### Key performance indicators

International Group Limited manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators (other than loss after tax stated above) 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.

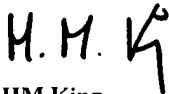
### Principal risks and uncertainties

Property price volatility and restricted credit facilities in the market from banks for property development would restrict the Company's business. To manage these risks, the Company ensures that it operates in areas that are less exposed to these risks than the general property market.

### Future developments

The directors do not currently intend to continue to trade.

By order of the board



HM King  
Director

Stoke Park  
Park Road  
Stoke Poges  
Buckinghamshire  
SL2 4PG

11 January 2019

## Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

### Proposed dividend

The directors do not recommend the payment of a dividend (2016: £nil).

### Directors

The directors who held office during the year were as follows:

RM King (Chairman)  
HM King  
WM King  
CM King

### Charitable contributions

The Company made no charitable contributions during the year (2016: £nil).

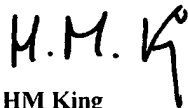
### Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP 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  
Buckinghamshire  
SL2 4PG

11 January 2019

## **Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.



KPMG LLP  
58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE  
United Kingdom

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

### **Opinion**

We have audited the financial statements of Beeson Property Investments Limited ("the company") for the year ended 31 December 2017 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter – non going concern basis of preparation**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



11 January 2019

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

58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE  
United Kingdom



**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Administrative expenses		(31)	(10)
Write-down of investment in a joint venture		(1,150)	(1,724)
		<hr/>	<hr/>
<b>Operating loss and loss before taxation</b>	2	(1,181)	(1,734)
Taxation	5	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>		(1,181)	(1,734)
		<hr/>	<hr/>

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

There are no gains or losses to be reflected as Other Comprehensive Income during the current or preceding year.

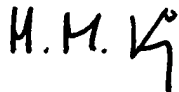
Notes from pages 10 to 15 form a part of these financial statements.

**Balance Sheet**  
*at 31 December 2017*

	<i>Note</i>	2017		2016	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	6		4,000		5,500
			<u>4,000</u>		<u>5,500</u>
<b>Current assets</b>					
Debtors	7	350		20	
		<u>350</u>		<u>20</u>	
Creditors: amounts falling due within one year	8	(4,049)		(4,038)	
			<u>(3,699)</u>		<u>(4,018)</u>
<b>Net current liabilities</b>					
			<u>301</u>		<u>1,482</u>
<b>Net assets</b>					
<b>Capital and reserves</b>					
Called up share capital	10		1		1
Profit and loss account			300		1,481
			<u>301</u>		<u>1,482</u>
<b>Shareholder's funds</b>					
			<u>301</u>		<u>1,482</u>

Notes from pages 10 to 15 form a part of these financial statements.

These financial statements were approved by the board of directors on 11 January 2019 and were signed on its behalf by:



**HM King**

*Director*

Registered number 06392895

**Statement of Changes in Equity**  
*for the year ended 31 December 2017*

	Called up share capital £000	Profit and loss account £000	Total Equity £000
At 1 January 2016	1	3,215	3,216
Loss for the year	-	(1,734)	(1,734)
At 31 December 2016	<u>1</u>	<u>1,481</u>	<u>1,482</u>
Loss for year	-	(1,181)	(1,181)
<b>At 31 December 2017</b>	<u><u>1</u></u>	<u><u>300</u></u>	<u><u>301</u></u>

Notes from pages 10 to 15 form a part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Beeson Property Investments Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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*

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is a wholly owned subsidiary undertaking of International Group Limited, a Company registered in England and Wales. The financial statements present information about the Company as an individual undertaking and not about its group.

#### *Going concern*

The company acts as a holding company for an investment in a joint venture. The joint venture entered in to voluntary liquidation during the year, pursuant to which the company has ceased to trade. The directors do not intend to liquidate the company and will continue to explore future property development opportunities, hence the company may recommence trading in future if such an opportunity arises. These financial statements are therefore not prepared on a going concern. The departure from the going concern basis of accounting has resulted in the assets and liabilities being measured based on expected future cash flows, however this did not have any effect on the loss for the year or on the balance sheet.

The Company's parent undertaking, International Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of International Group Limited are prepared in accordance with FRS 102 and are available to the public and can be obtained from the address given in note 12. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### *Measurement convention*

These financial statements are prepared on a going concern basis, under the historical cost convention.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are translated into the Company's functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the rate of exchange ruling at that date and the gains or losses on translation are included in the profit and loss account.

#### *Investments*

Investments in joint venture undertakings are stated at cost less impairment.

#### *Basic financial instruments*

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### *Impairment*

##### *Financial assets (including investments and trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### *Taxation*

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes** (continued)

**2 Expenses and auditor's remuneration**

Auditor's remuneration of £3,000 (2016: £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 (2016: £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 12. Their services to internal company management was limited and inconsequential to attract an internal charge.

**4 Staff numbers**

	2017	2016
Directors	4	4
	<u>4</u>	<u>4</u>

**5 Taxation**

**Total tax expense recognised in the profit and loss account, other comprehensive income and equity**

*Analysis of expense in year*

	2017 £000	2016 £000
<i>Current tax</i>		
Current UK tax on income for the year	-	-
	<u>-</u>	<u>-</u>
Total tax	<u>-</u>	<u>-</u>

*Reconciliation of effective tax rate*

The total tax expense for the year is higher (2016: higher) than the standard rate of corporation tax in the UK 19.25%, (2016: 20.00%). The differences are explained below.

	2017 £000	2016 £000
<i>Total tax reconciliation</i>		
(Loss) / profit before tax	(1,181)	(1,734)
Tax using the UK corporation tax rate of 19.25 % (2016: 20.00%)	<u>(227)</u>	<u>(347)</u>
<i>Effects of:</i>		
Additional tax losses arising in the year	227	281
Effect of change in tax rates	-	66
Total tax expense (see above)	<u>-</u>	<u>-</u>

In the 2016 Budget, the Chancellor announced additional planned reductions to 17% from 1 April 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on the rates of 17% substantively enacted at the balance sheet date.

**Notes** (continued)

**6 Fixed asset investments**

	<b>Investment in Joint venture £000</b>
<i>Cost</i>	
At beginning of the year	5,500
Reclassification to debtors	(350)
Impairment in investment	(1,150)
<b>At end of year</b>	<u>4,000</u>
<i>Net book value</i>	
<b>At 31 December 2017</b>	<u>4,000</u>
At 31 December 2016	<u>5,500</u>

The impairment in the value of the joint venture investment is based on the Company's share of the decline in the market value of property interests held by the joint venture undertaking at the reporting date. Also refer to note 14 below.

The joint venture undertaking in which the Company had an interest at 31 December 2017 is 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%

On 5 July 2017, Maplecross Properties Limited entered into a voluntary liquidation. Based on discussions held by the company with the liquidator the equity investment of both the joint venture parties was held to be 50%. The additional amounts of £350,000 paid by the company into the joint venture over the past few years was deemed to be a loan rather than an equity investment. Accordingly, the company has re-assessed its shareholding percentage in Maplecross Properties Limited as 50% and the amount of £350,000 has been reclassified as a receivable from the joint venture.

**7 Debtors**

	<b>2017 £000</b>	<b>2016 £000</b>
Amounts owed by joint venture undertaking	370	20
Less: Provision for bad debt	(20)	-
	<u>350</u>	<u>20</u>

All debtors are due within one year.

**Notes** *(continued)*

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

	2017 £000	2016 £000
Amounts owed to group undertakings	4,049	4,038
	<u>4,049</u>	<u>4,038</u>

There are no creditors falling due after one year.

**9 Deferred tax**

A deferred tax asset of £732,000 (2016: £532,000) 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:

	2017 £000	2016 £000
Tax losses	732	532
Undiscounted deferred tax asset	<u>732</u>	<u>532</u>

**10 Called up share capital**

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Shares classified in shareholder's funds	<u>1</u>	<u>1</u>



## Notes (continued)

### 11 Commitments

At the end of the financial year the Company had no unprovided capital commitments (2016: £nil).

### 12 Ultimate parent company and parent undertaking of largest and smallest 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, a company 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, Park Road, Buckinghamshire, SL2 4PG.

### 13 Related party transactions

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

### 14 Subsequent events

The appointed liquidator initiated a process to sell the principal assets of the joint venture. Subsequent to the year end, on 21 February 2018 contracts were exchanged with a third party to sell the assets for £11 million with £1.1 million having been paid as a deposit on exchange and £9.9 million due on completion. However, in November 2018 this contract was cancelled upon the failure of the buyer to complete the contract.