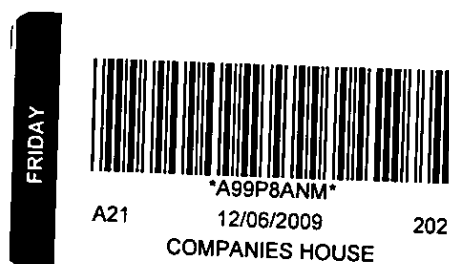


Financial Statements Bedgebury Trading Limited

For the year ended 31 August 2008



Company No. 02008826

Company Information

Company registration number	02008826
Registered office	Bodgebury Riding Centre Goudhurst Cranbrook Kent TN17 2SH
Directors	Mr R G Sinclair-Smith Mr M Adamson (appointed 8 July 2008) Mr H T M McMurray Mr R Hardingham Mrs A L Hudson (appointed 01 December 2007) Mr M T W Kinsman
Secretary	Mrs J Angell-Payne
Bankers	National Westminster Bank plc High Street Cranbrook Kent
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors The Explorer Building Fleming Way Manor Royal Crawley West Sussex RH10 9GT

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Report of the directors

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

Principal activities

The company is a wholly owned trading subsidiary of The Bedgebury Foundation Trustee Company (formerly Bedgebury School), registered charity number 1089801, and during the period was principally engaged in the business of providing riding facilities.

Directors

The directors who served the company during the period were as follows:

Mr R G Sinclair-Smith
Mr H T M McMurray
Mr R Hardingham
Mr M T W Kinsman
Ms A L Hudson (appointed 01 December 2007)
Mr M Adamson (appointed 8 July 2008)

No director had any interest in the shares of the company.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom 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 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;
- 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 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.

Report of the directors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Review of Activities

A new Equestrian Centre manager was appointed in July 2007. The key objectives for the year were to make the centre a first class training establishment, to grow revenues from riding lessons and to provide the service required by other owners on the estate.

The former estate of Bedgebury School was sold to the Bell Educational Trust, a registered charity on 9 February 2007 and they have established the Bell Bedgebury International School (BBIS) on the site. The school had no students until July 2007. The company provided riding lessons to students of the BBIS under a contract for over £80,000 of usage. BBIS usage fell well short of this level. Riding lessons to the public and other schools increased slightly. Livery continued much the same level as previous years.

Post Balance Sheet Event

The opening on the estate of the Bell International Language School (BBIS) in July 2007 was considered a significant opportunity for the Equestrian Centre. The take up of riding lessons or livery facilities by students of the school has been disappointing and given the level of usage through 2007/2008 BBIS have been unable to commit to any usage for the 12 months from 1 September 2008. The direct impact of this was that the budget presented by BTL Directors to Bedgebury Foundation Trustee Company for the period 1 September 2008 to 31 August 2009 showed a deficit of £80,000.

On 05 September 2008 the Directors made the difficult decision that the Riding School should cease trading from 09 October 2008 and made the announcement to staff on 09 September 2008. Accounting Standards requirements have resulted in the financial statements being prepared on the break-up basis.

Auditors


The Directors intend to put the audit out to competitive tender for the year ended 31 August 2009.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

Secretary



20 MAY 2009

J ANSELL-RAYNE

Report of the independent auditors to the members of Bedgebury Trading Limited

We have audited the financial statements of Bedgebury Trading Limited for the year ended 31 August 2008, which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

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 Directors' Report and financial statements in accordance with United Kingdom law and 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 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 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.

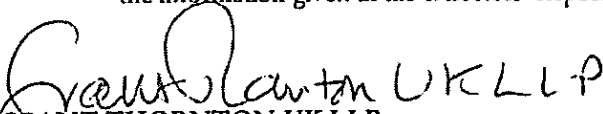
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditors to the members of Bedgebury Trading Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 August 2008 and of its result for the period 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.


GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GATWICK

26 May 2009

Principal accounting policies

Basis of preparation

Cessation of activities

On 05 September 2008 the trustees made the difficult decision that the Riding School should cease trading from 09 October 2008 and made the announcement to staff on 09 September 2008.

The financial statements have therefore been prepared on the break-up basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). As a consequence all assets have been valued at net realisable value, all liabilities are shown at the amount due and include additional liabilities arising from the closure of the Riding School.

All assets and liabilities are classed as current.

Turnover

Turnover shown in the profit and loss account represents amounts invoiced during the period.

Tangible assets

Tangible assets have been valued at net realisable value.

Stocks

All general stock was written off at the year end in anticipation of closure. Ponies have been valued at the value actually realised shortly after the period end.

Profit and loss account

		Twelve months to 31 August 2008	Six months to 31 Aug 2007 £
Turnover		346,342	135,524
Cost of sales		333,204	(156,170)
Gross loss		13,138	(20,646)
Other operating charges	1	(49,893)	(75,415)
Operating loss	2	(36,755)	(96,061)
Net interest		1,143	1,154
Loss on ordinary activities before taxation		(35,612)	(94,907)
Tax on loss on ordinary activities	3	-	-
Loss for the financial period	10	(35,612)	(94,907)

The accompanying accounting policies and notes form part of these financial statements.

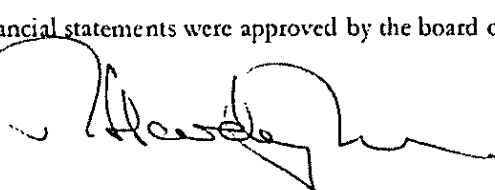
Balance sheet

	Note	31 August 2008		31 August 2007	
		£	£	£	£
Current assets					
Tangible assets	6	15,000		34,000	
Stocks	5	8,000		2,954	
Debtors	6	43,447		12,523	
Cash at bank and in hand		37,387		100,149	
		<u>103,834</u>		<u>149,626</u>	
Creditors: amounts falling due within one year	7	(74,012)		(84,192)	
Net current assets			29,822		65,434
Total assets less current liabilities			<u>29,822</u>		<u>65,434</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		29,820		65,432
Shareholders' funds			<u>29,822</u>		<u>65,434</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the board on 20 May 2009 and are signed on their behalf by:

Director



The accompanying accounting policies and notes form part of these financial statements.

Notes to financial statements

1 Other operating charges

	Twelve months to 31 Aug 2008	Six months to 31 Aug 2007
	£	£
Administrative expenses	49,893	75,415

2 Operating loss

	Twelve months to 31 Aug 2008	Six months to 31 Aug 2007
	£	£
The operating loss is stated after charging:		
Depreciation of owned fixed assets	-	36,635
Revaluation of tangible assets	19,000	-
Auditors' fees	8,500	8,500

3 Taxation on ordinary activities

Analysis of charge for the period

	Twelve months to 31 Aug 2008	Six months to 31 Aug 2007
	£	£
Current tax		
UK corporation tax based on the results for the period	-	-
Total current tax	-	-

4 Employees

Staff costs incurred during the period (paid by Bedgebury Foundation Trustee Company and recharged to Bedgebury Trading Limited) were as follows:

	Twelve months to 31 Aug 2008	Six months to 31 Aug 2007
	£	£
Wages and salaries	193,094	106,260
Social security costs	13,921	6,696
Other pension costs	2,284	837
	<u>209,299</u>	<u>113,793</u>

The average number of employees during the period was 16 (Aug 2007: 15).

Notes to financial statements

5 Stocks

	31 Aug 2008	31 Aug 2007
	£	£
Raw materials & ponies for resale	8,000	2,954

6 Debtors

	31 Aug 2008	31 Aug 2007
	£	£
Trade debtors	42,540	12,523
Amounts owed by group undertakings	907	-
	43,447	12,523

The chalets and indoor school previously in fixed assets are shown as tangible assets at a net realisable value of £15,000 (2007: £34,000)

7 Creditors: amounts falling due within one year

	31 Aug 2008	31 Aug 2007
	£	£
Trade creditors	15,199	12,445
Amounts owed to group undertakings	-	35,699
Social security and other taxes	24,984	5,442
Accruals and deferred income	17,000	14,133
Other creditors	16,829	16,473
	74,012	84,192

Other creditors includes £9,435 provided for redundancy payments following the closure announcement.

8 Transactions with related parties

The company has transactions and shared costs resulting in an amount of £907 due from the Foundation (Aug 2007: £nil) and nil due to the Foundation at the balance sheet date (Aug 2007: £41,141).

Notes to financial statements

9 Share capital

	31 Aug 2007 £	28 Feb 2007 £
Authorised 100 ordinary shares of £1 each	100	100
Allotted and called up 2 ordinary shares of £1 each	2	2

10 Reserves

	Profit and loss reserve 31 Aug 2008 £	Total 31 Aug 2007 £
Balance brought forward	65,432	160,339
Accumulated loss for the financial period	(35,612)	(94,907)
Balance carried forward	29,820	65,432

11 Controlling related party and ultimate controlling related party

The Bedgebury Foundation Trustee Company (formerly Bedgebury School), registered charity number 1089801, registered company number 4259130, is this company's ultimate controlling related party by virtue of its 100% shareholding in this company.

12 Post balance sheet events

The opening on the estate of the Bell International Language School (BBIS) in July 2007 representing a significant opportunity for the Equestrian Centre. BBIS committed to over £80,000 of usage in the 12 months to 31 August 2008 and this enabled Bedgebury Trading Limited (BTL) to present a balanced budget to its shareholder Bedgebury Foundation Trustee Company and landlord Bedgebury Foundation. Actual usage by BBIS has been very low and maintenance costs met by Bedgebury Foundation are over £40,000. BBIS have been unable to commit to any usage for the 12 months from 1 September 2008 and BTL forecast losses for the period to 31 August 2008. The budget presented by BTL Directors to Bedgebury Foundation Trustee Company for the period 1 September 2008 to 31 August 2009 showed a deficit of £80,000.

On 5th September 2008 the trustees made the difficult decision that the Riding School should cease trading from 9th October 2008 and made the announcement to staff on 9th September 2008.