

WILDMOOR (HARINGEY) LIMITED



Abbreviated Accounts

For the year ended 31 March 2008

Company Registration No 03579099 (England And Wales)

# WILDMOOR (HARINGEY) LIMITED

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# WILDMOOR (HARINGEY) LIMITED

## INDEPENDENT AUDITORS' REPORT TO WILDMOOR (HARINGEY) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts set out on pages 3 to 9, together with the financial statements of Wildmoor (Haringey) Limited for the year ended 31 March 2008 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the director and auditors**

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

### **Other information**

On 21 July 2010 we reported, as auditors of Wildmoor (Haringey) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2008, and our report included the following paragraph:

# WILDMOOR (HARINGEY) LIMITED

## INDEPENDENT AUDITORS' REPORT TO WILDMOOR (HARINGEY) LIMITED (CONTINUED) UNDER SECTION 247B OF THE COMPANIES ACT 1985

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### Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern.

The company incurred a net loss of £6,940,861 during the year ended 31 March 2008, after providing against £5,480,400 of loans due from certain associated companies, and had net assets of £32,369,681 at that date. The ability of the company to continue as a going concern is dependent on the forbearance and continuance of ongoing financial support from the company's lenders, and on the recoverability of amounts owed to the company by certain associated companies.

At the balance sheet date the company owed £45,725,954 to its lenders, consisting of a commercial loan of £43,225,954 and a short term loan of £2,500,000. As stated in the notes to the accounts the company has reclassified the amount of £43,225,954 as short term liabilities because it had not complied with an undertaking in the loan agreement. To date the company has not received any indications that the repayment profiles of the bank loan will be varied from their agreed terms, nor that they will be withdrawn within twelve months of approving the financial statements. Additionally, the director is in advanced negotiations with the lenders of the short term loan, which was due for repayment in August 2008, to extend the facility and convert the outstanding balance into a Deep Discount Bond. The company is also due a net balance of £10,287,446, after a provision for doubtful debts of £5,480,400, from certain associated companies, the recoverability of which is dependent upon the ability of those companies to realise funds from the disposal of investment properties.

These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast 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 were unable to continue as a going concern.

*Kingston Smith LLP*

Kingston Smith LLP

Chartered Accountants  
Registered Auditors

*21 July 2010*

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# WILDMOOR (HARINGEY) LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	2	69,007,571		76,662,871	
<b>Current assets</b>					
Debtors	3	11,423,716		15,819,931	
Cash at bank and in hand		589,275		638,983	
		12,012,991		16,458,914	
<b>Creditors amounts falling due within one year</b>	4	(48,650,881)		(2,544,987)	
<b>Net current (liabilities)/assets</b>		(36,637,890)		13,913,927	
<b>Total assets less current liabilities</b>		32,369,681		90,576,798	
<b>Creditors amounts falling due after more than one year</b>		-		(42,711,367)	
		32,369,681		47,865,431	
<b>Capital and reserves</b>					
Called up share capital	5		2		2
Revaluation reserve		43,302,864		51,857,753	
Profit and loss account		(10,933,185)		(3,992,324)	
<b>Shareholders' funds</b>		32,369,681		47,865,431	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Director for issue on 19/7/2010

MD Booth  
Director

Company Registration No. 03579099

# WILDMOOR (HARINGEY) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements have been prepared on a going concern basis, the validity of which depends on the director's ability to successfully manage the company's working capital requirements, on the continuing terms of the company's loan arrangements, on the forbearance of the company's lenders, and on the recoverability of amounts owed to the company by certain associated companies

The company incurred a net loss of £6,940,861 during the year ended 31 March 2008, after providing against £5,480,400 of loans due from certain associated companies, and had net assets of £32,369,681 at that date

During the period under review and the period since the balance sheet date the director has successfully managed the company's working capital requirements by utilising funds available across the companies under his control to ensure all companies can meet their debts as they fall due. The director, and the companies under his control, are committed to continuing such action should this be required. In addition, the director has conducted a thorough cost cutting exercise to reduce the operating costs of the company and its associated companies. Forecasts have been prepared by the company for the period since the balance sheet date and the director expects to achieve a profit for the year to June 2011 of approximately £370,000. Several rent reviews have fallen due since the balance sheet date resulting in expected annual rental income in the region of £3,000,000, against expected annual interest payable of £2,500,000. The forecasts also assume that the short term loan of £2,500,000 is either converted into a non-interest bearing, deep discount bond, redeemable on the sale of the investment property, or refinanced on the back of the increase in annual rental income. If additional finance is raised to replace the short term loan further interest of approximately £280,000 is likely to be incurred.

In the current economic climate, there are various uncertainties which presently impact on the commercial property sector. The company's commercial loan of £43,225,954 is secured by a fixed charge over the investment property and by a floating charge over the company's remaining assets. This loan of £43,225,954 has been reclassified as a short term liability during the period because the company had not complied with an undertaking in the loan agreement. Whilst the director has not received any indication from the bank that the facility will be withdrawn, he recognises that inevitably there will always be doubt regarding the bank's intentions so as to make it materially uncertain as to whether they might request repayment within twelve months of approving the financial statements. Should they do so the company's ability to continue to meet its obligations as they fall due would depend on it obtaining replacement financing.

# WILDMOOR (HARINGEY) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

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### 1 Accounting policies

(continued)

At the balance sheet date the company also owed an amount of £2,500,000 in respect of a short term loan facility. Although the balance was due for repayment in August 2008 the sum currently remains outstanding. The lenders have therefore, served notice to the company of an event of default of the loan agreement and compound interest is now being charged at a penal rate. In June 2010 the balance stood at £4,938,900. The director is currently in advanced negotiations with the lender to convert the outstanding balance into a non-interest bearing, deep discount bond which would be redeemable on the sale of the investment property. Whilst the director is confident of reaching an agreement with the lender, he recognises that inevitably there will always be doubt regarding their forbearance. Should a satisfactory agreement not be reached the company's ability to continue to meet its obligations as they fall due would depend on it obtaining replacement finance.

At the balance sheet date the company was due amounts totalling £15,767,846 from companies wholly owned by the director, M D Booth. At present the company has no immediate requirement to seek repayment of the balances as alternative working capital is available. However, these companies operate within the property sector and rely upon third party loan finance. A number also have liabilities which currently exceed their total assets and in these instances, the company has provided a total of £5,480,400 against the respective companies' debts. For these reasons there is therefore, some uncertainty as to their ability to continue as going concerns. To date the director has not received any indications that the repayment profile of any of their loans will need to be varied and he is confident that all amounts due to the company will be recovered in full.

The company's investment property comprises a retail development which is in a prime location and well configured to suit retailers' requirements. The director has reviewed the financial standing of the current tenants and does not believe there is currently a significant risk that any of them will fail. Given current retail trading conditions though this must remain a potential risk, even if deemed remote. Should a tenant fail the director is satisfied that, having researched the strength of retailer demand, a combination of restricted supply of available retail units and published retail requirements will ensure a re-letting can be achieved quickly and without a material reduction in current rental levels.

Whilst the director accepts that there is material uncertainty in relation to the factors discussed above, he is of the view that the company is well placed to withstand any adverse situation which might arise over the foreseeable future. On this basis the director believes that it is appropriate that the financial statements should be prepared on a going concern basis.

### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

### 1.3 Turnover

Turnover represents the value of rent receivable on tenanted commercial property net of VAT.

# WILDMOOR (HARINGEY) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

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### 1 Accounting policies

(continued)

#### 1.4 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value, net of capital contribution payments made to tenants as lease incentives. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### 1.5 Revenue recognition

Rental income is recognised when it falls due and is apportioned over the life of the lease to cover rent free periods.

#### 1.6 Deferred taxation

In accordance with the Financial Reporting Standard for Smaller Entities, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

In accordance with the FRSSE, deferred tax is not recognised on revaluation on the investment property as there is no commitment to sell the asset.



# WILDMOOR (HARINGEY) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

### 2 Fixed assets

	Tangible assets £
<b>Cost or valuation</b>	
At 1 April 2007	76,662,871
Additions	899,589
Revaluation	(8,554,889)
At 31 March 2008	<u>69,007,571</u>

### Reconciliation of Net Book Value to Valuation

Valuation	70,000,000
Lease Incentives	(992,429)
	<u>69,007,571</u>

The company's investment property were professionally valued as at 31 March 2008, at an open market value, by the director M D Booth, a qualified Chartered Surveyor, having taken appropriate professional advice from A Peattie, Chartered Surveyor. A yield of 5.25% was applied to actual rent receivable, or estimated rental values where a unit was vacant or rented out at below market value, with an allowance for purchaser's costs of 5.75%, giving an open market value at 31 March 2008 of £70,000,000. The director considers this to be an appropriate valuation as at 31 March 2008.

The comparable historical aggregate cost of the properties included at valuation is £25,704,707 (2007 - £24,805,118).

### 3 Debtors

Debtors include an amount of £647,727 (2007 - £992,429) which is due after more than one year.

# WILDMOOR (HARINGEY) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

### 4 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £45,725,954 (2007 - £42,711,367)

One of the company's lenders has provided a short term loan account facility, limited to £2,500,000 and secured by a second fixed charge over the company's investment property. At the balance sheet date an amount of £2,500,000 has been advanced to the company under this facility, which is repayable in full in August 2008. Interest is charged at a fixed rate of 20% per annum, compounded at monthly rates. From 10 June 2008 interest was charged at a rate of 27.5% per annum. In addition, the director has provided a personal guarantee to secure all monies owed in respect of this loan.

A further lender has provided a commercial loan account facility limited to £46,000,000 and secured by a first fixed charge over the company's investment property and by a floating charge over the company's remaining assets. At the balance sheet date an amount of £43,225,954 has been advanced to the company under this facility, which is repayable in August 2011. Interest is charged at a fixed rate of 5.57% per annum on £33,000,000 and 1.25% above LIBOR per annum on the remaining balance. At the balance sheet date the company had not complied with an undertaking in the loan agreement. As a result the loan of £43,225,954 has been reclassified as falling due within one year although scheduled repayments currently remain unchanged.

5 Share capital	2008	2007
	£	£
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

### 6 Transactions with directors

Loan interest of £198,973 was charged to the director, M D Booth, during the year in respect of interest due on amounts loaned to him during the year. At the balance sheet date M D Booth owed the company £nil (2007 - £743,094).

### 7 Control

The company is controlled by M D Booth, the director of the company, by virtue of his 100% shareholding in the company.

# WILDMOOR (HARINGEY) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

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### 8 Related party transactions

At the balance sheet date the following loan balances were outstanding with companies owned by the director, M D Booth. These amounts are unsecured, interest free and repayable on demand. The balances are shown prior to the provision for doubtful debts of £5,480,400.

Balance owed by Wildmoor Investments Limited £158,027 (2007 - £92,532)  
Balance owed by Wildmoor (Cirencester) Limited £1,588,878 (2007 - £1,069,275)  
Balance owed by Wildmoor (Imperial Arcade) Limited £1,134,569 (2007 - £1,089,511)  
Balance owed by Wildmoor Northpoint Limited £2,504,318 (2007 - £2,423,508)  
Balance owed by Wildmoor (Fakenham) Limited £445,814 (2007 - £606,908)  
Balance owed by Wildmoor (Crowborough) Limited £283,278 (2007 - £231,909)  
Balance owed by Wildmoor (Brighton) Limited £3,677,080 (2007 - £1,056,570)  
Balance owed by Forsters Shelfco 220 Limited £699,073 (2007 - £685,432)  
Balance owed by Forsters Shelfco 233 Limited £528,747 (2007 - £512,872)  
Balance owed by Wildmoor (Kings Head Hotel, Cirencester) Limited £1,891,192 (2007 - £1,613,465)  
Balance owed by Wildmoor (Cricklade Street) Limited £941,306 (2007 - £934,750)  
Balance owed by Corn Hall Arcade Limited £139,525 (2007 - £650,000)  
Balance owed to Wildmoor (Watford) Limited £426,870 (2007 - £586,870)  
Balance owed to Kings Head Cirencester LLP £311,376 (2007 - £18,979)  
Balance owed to Wildmoor (Ingram) Limited £125,333 (2007 - £201,393)  
Balance owed to Swan Yard (Cirencester) Limited £913 (2007 - £12,000)  
Balance owed by Strapbase Limited (trading as Wildmoor Properties) £1,776,039 (2007 - £807,602)

During the period property management fees of £250,000 were paid to Strapbase Limited (trading as Wildmoor Properties). In the prior year, £640,000 was paid to the director in respect of property management provided by his unincorporated business, Wildmoor Properties.

### 9 Post balance sheet events

Since the balance sheet date the market value of the company's investment property has declined in light of the present economic climate. The company's main asset in Haringey, on which there are commercial loans of £45,725,954, was valued in June 2010 by the director, having taken appropriate independent professional advice, at £62,000,000.