

Company Registration No 3751909 (England and Wales)

BUXTON HOMES (SOUTHWARK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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BUXTON HOMES (SOUTHWARK) LIMITED

COMPANY INFORMATION

Directors	D W Buxton S W Buxton
Secretary	M A Freeland
Company number	3751909
Registered office	Cedar House 91 High Street Caterham Surrey CR3 5UH
Auditors	Lawrence Wong & Co 2 Parkfield Gardens Harrow Middlesex HA2 6JR
Business address	Cedar House 91 High Street Caterham Surrey CR3 5UH

BUXTON HOMES (SOUTHWARK) LIMITED

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BUXTON HOMES (SOUTHWARK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2007

The directors present their report and financial statements for the year ended 31 July 2007

Principal activities

The principal activity of the company continued to be that of Rentals from Investment properties

Directors

The following directors have held office since 1 August 2006

D W Buxton

S W Buxton

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of 1p each	
	31 July 2007	1 August 2006
D W Buxton	-	-
S W Buxton	-	-

D W Buxton and S W Buxton are also directors of the ultimate parent company, W & R Buxton Holdings Limited, and their interests in the share capital of that company are shown in its financial statements

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Messrs Lawrence Wong & Co , be reappointed as auditors of the company will be put to the Annual General Meeting

BUXTON HOMES (SOUTHWARK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those 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.

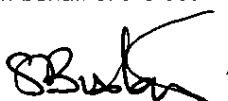
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



S W Buxton

Director

24 October 2007

BUXTON HOMES (SOUTHWARK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BUXTON HOMES (SOUTHWARK) LIMITED

We have audited the financial statements of BUXTON HOMES (SOUTHWARK) LIMITED for the year ended 31 July 2007 set out on pages 5 to 12. 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 auditors' 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 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 judgements 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.

BUXTON HOMES (SOUTHWARK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BUXTON HOMES (SOUTHWARK) LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2007 and of its profit 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



Lawrence Wong & Co

24 October 2007

Chartered Accountants

Registered Auditor

2 Parkfield Gardens
Harrow
Middlesex
HA2 6JR

BUXTON HOMES (SOUTHWARK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2007

	Notes	2007 £	2006 £
Turnover		201,159	197,738
Property costs		(48,357)	(65,630)
Administrative expenses		507,663	(2,104)
Operating profit	2	660,465	130,004
Other interest receivable and similar income		651	377
Interest payable and similar charges		(151,986)	(87,887)
Profit on ordinary activities before taxation		509,130	42,494
Tax on profit on ordinary activities	4	(433)	(12,798)
Profit on ordinary activities after taxation	11	508,697	29,696

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains or losses other than those passing through the profit and loss account

BUXTON HOMES (SOUTHWARK) LIMITED

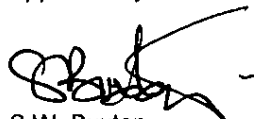
BALANCE SHEET

AS AT 31 JULY 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	5 and 6	4,032,553		4,033,404	
Current assets					
Debtors	7	34,137		2,752	
Cash at bank and in hand		42,204		31,823	
		<u>76,341</u>		<u>34,575</u>	
Creditors amounts falling due within one year	8	<u>(56,491)</u>		<u>(1,020,991)</u>	
Net current assets/(liabilities)			19,850		(986,416)
Total assets less current liabilities			4,052,403		3,046,988
Creditors amounts falling due after more than one year	9		<u>(2,600,000)</u>		<u>(1,499,208)</u>
			<u>1,452,403</u>		<u>1,547,780</u>
Capital and reserves					
Called up share capital	10		1		2
Revaluation reserve	11		1,422,404		1,422,404
Capital redemption reserve	11		1		-
Profit and loss account	11		29,997		125,374
Shareholders' funds	12		<u>1,452,403</u>		<u>1,547,780</u>

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

Approved by the Board and authorised for issue on 24 October 2007



S W Buxton
Director

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

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 rents receivable and excludes value added tax

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	25% on written down value
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Investment properties

Investment properties are included in the balance sheet at their open market value as valued by the directors. 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 applicable accounting standard, SSAP 19, 'Accounting for Investment Properties', it is a departure from the general requirement of the Companies Act 1985 for all tangible fixed assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the accounts to give a true and fair view. Depreciation and amortisation is only one of the 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 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the incremental liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets

2 Operating profit	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	851	1,135
Auditors' remuneration	1,763	1,763
	<u> </u>	<u> </u>

Included within administrative expenses is a credit of £510,000 following the write back of an intercompany creditor

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

3	Investment income	2007	2006
		£	£
	Bank interest	651	377
		<u>651</u>	<u>377</u>
4	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	433	12,798
		<u>433</u>	<u>12,798</u>
	Current tax charge	<u>433</u>	<u>12,798</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	509,130	42,494
		<u>509,130</u>	<u>42,494</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2006: 30.00%)	96,735	12,748
		<u>96,735</u>	<u>12,748</u>
	Effects of		
	Non deductible expenses	574	-
	Depreciation add back	162	341
	Capital allowances	(138)	(291)
	Other tax adjustments	(96,900)	-
		<u>(96,302)</u>	<u>50</u>
	Current tax charge	<u>433</u>	<u>12,798</u>

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2007**

5 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost or valuation	
At 1 August 2006 & at 31 July 2007	16,035
Depreciation	
At 1 August 2006	12,631
Charge for the year	851
At 31 July 2007	13,482
Net book value	
At 31 July 2007	2,553
At 31 July 2006	3,404

6 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 August 2006 & at 31 July 2007	4,030,000

The investment properties were revalued in August 2005 by Cluttons, on an open market basis. The directors believe that the valuation represents the current open market value of the properties. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £2,607,596.

7 Debtors

	2007 £	2006 £
Trade debtors	352	1,087
Amounts owed by group undertakings and undertakings in which the company has a participating interest	30,594	-
Other debtors and prepayments	3,191	1,665
	34,137	2,752

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

8	Creditors amounts falling due within one year	2007 £	2006 £
	Bank loans and overdrafts	-	33,036
	Trade creditors	4,893	-
	Taxation and social security	433	12,798
	Payments received on account	5,885	1,049
	Amounts owed to joint venture and associated companies	-	934,838
	Other creditors and accruals	45,280	39,270
		<u>56,491</u>	<u>1,020,991</u>

The bank loan is secured by a fixed and floating charge over the assets of the company

9	Creditors amounts falling due after more than one year	2007 £	2006 £
	Bank loans	<u>2,600,000</u>	<u>1,499,208</u>
	Analysis of loans		
	Wholly repayable within five years	2,600,000	187,226
	Included in current liabilities	-	(33,036)
		<u>2,600,000</u>	<u>154,190</u>
	Loan maturity analysis		
	In more than one year but not more than two years	-	35,107
	In more than two years but not more than five years	2,600,000	119,083
	In more than five years	-	1,345,018
		<u>2,600,000</u>	<u>1,499,208</u>

The loans are secured by a fixed and floating charge over the assets of the company. The loan facility dated 29 09 06 is repayable by a single repayment in 5 years and interest is calculated at 1 20% over the bank base rate. At the year end, the rate was 6 95%.

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

10 Share capital	2007 £	2006 £
Authorised		
10,000 Ordinary shares of 1p each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of 1p each	1	2

On 04 01 07 the authorised 100 ordinary share of £1 each in the share capital of the company was sub-divided into 10,000 ordinary shares of 1p each

11 Statement of movements on reserves

	Revaluation reserve £	Capital Redemption reserve £	Profit and loss account £
Balance at 1 August 2006	1,422,404	-	125,375
Profit for the year	-	-	508,697
Purchase of own shares	-	-	(604,075)
Movement during the year	-	1	-
Balance at 31 July 2007	1,422,404	1	29,997

On 09 01 07, the company purchased 99 shares of £0 01 each in the issued share capital of the company

12 Reconciliation of movements in shareholders' funds	2007 £	2006 £
Profit for the financial year	508,697	29,696
Movements on other reserves	(604,074)	-
Net (depletion in)/addition to shareholders' funds	(95,377)	29,696
Opening shareholders' funds	1,547,780	1,518,084
Closing shareholders' funds	1,452,403	1,547,780

13 Control

The ultimate parent company is W & R Buxton Holdings Limited, a company registered in England and Wales

W & R Buxton Holdings Limited prepares group financial statements and copies can be obtained from -
Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ

BUXTON HOMES (SOUTHWARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

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