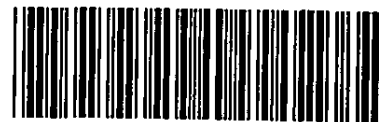


BELSTONE INVESTMENTS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD
1ST MARCH 2011 TO 30TH SEPTEMBER 2011

HW, Chartered Accountants
136-140 Bedford Road
Kempston
Bedford
Bedfordshire
MK42 8BH

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COMPANIES HOUSE

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FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

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BELSTONE INVESTMENTS LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

DIRECTORS:

G Eaton
P Yull
C T Lousada
S C Lousada

SECRETARY

P Yull

REGISTERED OFFICE:

136 - 140 Bedford Road
Kempston
Bedford
Bedfordshire
MK42 8BH

REGISTERED NUMBER

04211257 (England and Wales)

AUDITORS

HW, Chartered Accountants
136-140 Bedford Road
Kempston
Bedford
Bedfordshire
MK42 8BH

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

The directors present their report with the financial statements of the company for the period 1st March 2011 to 30th September 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of property development and investment

REVIEW OF BUSINESS

The directors are satisfied with the results for the period, reporting a pre-tax profit of £9,185 in difficult recessionary times

The two investment properties held remain occupied producing a yield of 6.7% The directors are anticipate these tenancies will continue for the foreseeable future

Negotiations are ongoing with regard to the disposal of the development land held The directors are confident that a satisfactory deal can be made in the near future

DIVIDENDS

No dividends will be distributed for the period ended 30th September 2011

DIRECTORS

The directors shown below have held office during the whole of the period from 1st March 2011 to the date of this report

G Eaton
P Yull
C T Lousada
S C Lousada

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment, and to abide by those terms There were no trade creditors outstanding at 30th September 2011 (28/02/2011 £nil)

PRINCIPAL RISKS

The business risks are those principally associated with fluctuations in the UK property market, as detailed below

Financial risks

- changes in the economic environment affecting land and property values,
- interest rate risks, and
- availability of credit facilities

Real estate investment risks

- impact of customer defaults and reduced demand, and
- valuation movements

Development risks

- end value of development projects, and
- holding excess development land

These risks are mitigated by the directors' extensive knowledge and experience of the property market The uncertainty inherent in borrowing at fluctuating rates of interest is mitigated by the use of interest rate swaps where appropriate

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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). 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 accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, HW, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


P Yull - Secretary

Date 23/11/12

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BELSTONE INVESTMENTS LIMITED

We have audited the financial statements of Belstone Investments Limited for the period ended 30th September 2011 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30th September 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Elia Di Lorenzo (Senior Statutory Auditor)
for and on behalf of HW, Chartered Accountants
136-140 Bedford Road
Kempston
Bedford
Bedfordshire
MK42 8BH

Date

03/02/2012

BELSTONE INVESTMENTS LIMITED (REGISTERED NUMBER: 04211257)

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

	Notes	Period 1/3/11 to 30/9/11 £	Year Ended 28/2/11 £
TURNOVER		42,200	73,008
Administrative expenses		<u>4,485</u>	<u>7,842</u>
OPERATING PROFIT	3	37,715	65,166
Interest receivable and similar income		<u>-</u>	<u>910</u>
		37,715	66,076
Interest payable and similar charges	4	<u>28,530</u>	<u>58,297</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,185	7,779
Tax on profit on ordinary activities	5	<u>1,850</u>	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>7,335</u></u>	<u><u>7,779</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year

The notes form part of these financial statements

BELSTONE INVESTMENTS LIMITED (REGISTERED NUMBER: 04211257)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

	Period 1/3/11 to 30/9/11 £	Year Ended 28/2/11 £
PROFIT FOR THE FINANCIAL PERIOD	7,335	7,779
Revaluation of investment property	(90,000)	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>(82,665)</u>	<u>7,779</u>

The notes form part of these financial statements

**BALANCE SHEET
30TH SEPTEMBER 2011**

	Notes	2011 £	2011 £
FIXED ASSETS			
Investment property	6	1,075,000	1,165,000
CURRENT ASSETS			
Stocks	7	600,000	600,000
Debtors	8	66,508	33,753
Cash at bank		-	13,394
		<u>666,508</u>	<u>647,147</u>
CREDITORS			
Amounts falling due within one year	9	<u>78,354</u>	<u>56,083</u>
NET CURRENT ASSETS		<u>588,154</u>	<u>591,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,663,154</u>	<u>1,756,064</u>
CREDITORS			
Amounts falling due after more than one year	10	<u>1,426,784</u>	<u>1,437,029</u>
NET ASSETS		<u><u>236,370</u></u>	<u><u>319,035</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Revaluation reserve	14	467,846	557,846
Profit and loss account	14	<u>(231,576)</u>	<u>(238,911)</u>
SHAREHOLDERS' FUNDS	17	<u><u>236,370</u></u>	<u><u>319,035</u></u>

The financial statements were approved by the Board of Directors on its behalf by

02/04/2012

and were signed on

C T Lousada - Director



P Yull - Director



The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared on the going concern basis on the assumption of continued financial support from the parent company. Indications are that this support will continue for the foreseeable future.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

Turnover represents, stated net of value added tax:

- rents receivable from tenants of investment properties, and
- proceeds from the sale of development land & buildings

Investment property

Property held for investment purposes is not depreciated as required by Schedule 4 to the Companies Act 2006. In accordance with SSAP 19, investment property is revalued to its open market value at the balance sheet date, with any surplus or deficit on revaluation being transferred to the revaluation reserve. This treatment constitutes an override of the Companies Act requirement to depreciate fixed assets and is necessary to give a true and fair view.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. No provision is made for taxation on permanent differences or on revaluation of fixed assets, except where there is a binding contract for sale at the year end and the asset has been revalued to selling price.

2 STAFF COSTS

There were no staff costs for the period ended 30th September 2011 nor for the year ended 28th February 2011.

The average monthly number of employees during the period was as follows:

	Period 1/3/11 to 30/9/11	Year Ended 28/2/11
Directors	<u>4</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011

3 OPERATING PROFIT

The operating profit is stated after charging

	Period 1/3/11 to 30/9/11 £	Year Ended 28/2/11 £
Auditors' remuneration	1,750	3,580
Auditors' remuneration for non audit work	250	-
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1/3/11 to 30/9/11 £	Year Ended 28/2/11 £
Bank loan interest	5,944	21,556
Related party loan interest	22,586	36,741
	<u> </u>	<u> </u>
	<u>28,530</u>	<u>58,297</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows

	Period 1/3/11 to 30/9/11 £	Year Ended 28/2/11 £
Current tax		
UK corporation tax	1,850	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>1,850</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Period 1/3/11 to 30/9/11 £	Year Ended 28/2/11 £
Profit on ordinary activities before tax	<u>9,185</u>	<u>7,779</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	2,388	2,178
Effects of Marginal relief	(538)	-
Losses brought forward	<u>-</u>	<u>(2,178)</u>
Current tax charge	<u>1,850</u>	<u>-</u>

6 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1st March 2011	1,165,000
Revaluations	<u>(90,000)</u>
At 30th September 2011	<u>1,075,000</u>
NET BOOK VALUE	
At 30th September 2011	<u>1,075,000</u>
At 28th February 2011	<u>1,165,000</u>

Cost or valuation at 30th September 2011 is represented by

	£
Valuation in 2008	557,846
Valuation in 2011	<u>(90,000)</u>
Cost	<u>607,154</u>
	<u>1,075,000</u>

If investment properties had not been revalued they would have been included at the following historical cost

	2011 £	2011 £
Cost	<u>607,154</u>	<u>607,154</u>

Investment properties were valued on an open market basis on 30th September 2011 by Mr P Yull, a director

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

7 STOCKS

	2011 £	2011 £
Stocks	<u>600,000</u>	<u>600,000</u>

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2011 £
Trade debtors	66,508	30,963
Other debtors	-	1,537
Prepayments and accrued income	-	1,253
	<u>66,508</u>	<u>33,753</u>

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2011 £
Bank loans and overdrafts (see note 11)	49,744	44,500
Corporation tax	1,850	-
VAT	3,600	-
Other creditors	60	60
Accruals and deferred income	23,100	11,523
	<u>78,354</u>	<u>56,083</u>

10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2011 £
Bank loans (see note 11)	341,966	374,798
Amounts owed to group undertakings	1,084,818	1,062,231
	<u>1,426,784</u>	<u>1,437,029</u>

11 LOANS

An analysis of the maturity of loans is given below

	2011 £	2011 £
Amounts falling due within one year or on demand		
Bank overdrafts	5,244	-
Bank loans	<u>44,500</u>	<u>44,500</u>
	<u>49,744</u>	<u>44,500</u>
Amounts falling due between one and two years		
Bank loans	<u>44,500</u>	<u>44,500</u>
Amounts falling due between two and five years		
Bank loans	<u>133,500</u>	<u>133,500</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

11 LOANS - continued

	2011 £	2011 £
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>163,966</u>	<u>196,798</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2011 £
Bank overdraft	5,244	-
Bank loans	386,466	419,298
Owed to group companies	<u>600,000</u>	<u>-</u>
	<u>991,710</u>	<u>419,298</u>

The bank loan and overdraft are secured by

(i) a guarantee from Lousada Plc for £900,000 ,

(ii) a legal charge over the investment properties known as 1 Chestnut House and 2 Hertford House, Farm Close, Shenley, and

(iii) the personal guarantees of G Eaton and P Yull Limited to £100,000

Lousada PLC hold a legal charge dated 13th April 2011 over land at 183A London Road, Aspley, Herts, restricted to £600,000, by way of security against loans made to Belstone Investments Limited

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value £1	2011 £	2011 £
100	Ordinary		<u>100</u>	<u>100</u>

14 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1st March 2011	(238,911)	557,846	318,935
Profit for the period	7,335		7,335
Surplus on revaluation	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>
At 30th September 2011	<u>(231,576)</u>	<u>467,846</u>	<u>236,270</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

15 ULTIMATE PARENT COMPANY

The ultimate parent company at the balance sheet date was Lousada plc, a UK registered company

Copies of the consolidated financial statements of Lousada plc are available from Companies House

At the balance sheet date there were loans due to Lousada PLC of £1,084,818 (28/02/2011 £1,062,231) Interest was charged on these loans in the period amounting to £22,586 (year to 28/02/2011 £36,741)

16 ULTIMATE CONTROLLING PARTY

At the balance sheet date, the company's ultimate controlling party was Mr C T Lousada, a director

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2011
	£	£
Profit for the financial period	7,335	7,779
Other recognised gains and losses relating to the period (net)	(90,000)	-
Revaluation reserve	-	557,846
Share capital	-	100
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(82,665)	565,725
Opening shareholders' funds	319,035	(246,690)
	<hr/>	<hr/>
Closing shareholders' funds	236,370	319,035
	<hr/>	<hr/>

BELSTONE INVESTMENTS LIMITED (REGISTERED NUMBER 04211257)**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1ST MARCH 2011 TO 30TH SEPTEMBER 2011**

	Period 1/3/11 to 30/9/11		Year Ended 28/2/11	
	£	£	£	£
Turnover				
Rent receivable		42,200		73,008
Cost of sales				
Opening stock	600,000		600,000	
Closing stock	<u>(600,000)</u>	<u>-</u>	<u>(600,000)</u>	<u>-</u>
GROSS PROFIT		42,200		73,008
Other income				
Deposit account interest		<u>-</u>		<u>910</u>
		42,200		73,918
Expenditure				
Insurance	1,516		2,585	
Sundry expenses	18		-	
Late filing penalties	-		1,000	
Professional fees	883		-	
Auditors' remuneration	1,750		3,580	
Auditors' remuneration for non audit work	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
		4,417		7,165
		37,783		66,753
Finance costs				
Bank charges	68		677	
Bank loan interest	5,944		21,556	
Related party loan interest	<u>22,586</u>	<u>-</u>	<u>36,741</u>	<u>-</u>
		28,598		58,974
NET PROFIT		<u>9,185</u>		<u>7,779</u>

This page does not form part of the statutory financial statements