

REGISTRAR'S
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Financial Statements Barwood Developments Limited and its subsidiary undertakings

For the year ended 29 February 2012

TUESDAY



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COMPANIES HOUSE

Company No. 4537090

Company information

Company registration number:	4537090
Registered office:	Grange Park Court Roman Way Grange Park NORTHAMPTON
Directors:	R W Bowen S J Chambers H B Chapman J A Greenslade C P Matthews A J Rudge
Secretaries:	emw Secretaries Limited S J Chambers J A Greenslade
Bankers:	Lloyds TSB Bank plc 30 - 31 Long Causeway PETERBOROUGH Allied Irish Bank (GB) 1 Waterside Way NORTHAMPTON
Solicitors:	Wragge & Co 55 Colmore Row BIRMINGHAM emw law Seckloe House 101 North 13th Street MILTON KEYNES
Auditor:	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR

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Report of the directors

The directors present their report together with the financial statements for the year ended 29 February 2012

Principal activity

The group is principally engaged in commercial property development and asset management

Business review

In the year ended 29 February 2012 the group achieved gross project profits of £2.1m (2011 - £1.3m), operating profit of £686k (2011 - £322k) and a net profit for the year after taxation amounting to £417k (2011 - £25k loss)

Gross project profits were mainly derived from fees and profit shares earned on sites at Fradley, Chalfont St Peter, Banbury and Wellesbourne. At Fradley, a profit share arrangement was settled. At Chalfont St Peter, an 11,200 sq ft office building was sold to an owner occupier and a development management agreement on a further 24,700 sq ft of offices was entered into, 11,500 sq ft of which was pre let. At Banbury and Wellesbourne c 140 acres of land was secured in total and development management agreements entered into to obtain planning for a range of uses including retail, residential and commercial and, when appropriate, develop out up to 1.8m square feet of commercial space.

In addition, income has been earned by the group from the raising and management of commercial and residential property funds. Since the year end Barwood Capital, the FSA authorised subsidiary responsible for these fund raising and management activities, has been de-merged from the Group and is now a stand alone entity.

The Directors are pleased that the operating business continues to improve its profitability and believe the Group is in a robust position to generate strong future profits from its core activities of development, asset management and trading of commercial property in the UK.

Key performance indicators

The directors have assessed the Group performance using three key performance indicators

- Gross project profit was £2.1m (2011 - £1.3m). This provides a measure of the income generated from our core activities.
- Gross profit per fee earning employee was £0.7m (2011 - £0.4m). This provides a measure of employee productivity in the prevailing economic climate.
- Net profit before tax and discretionary distributions was £0.7m (2011 - £8k loss). This provides a measure of the return gained from our core activities after accounting for the associated overheads, exceptional items and financing costs.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

R W Bowen
S J Chambers
H B Chapman
J A Greenslade
C P Matthews
A J Rudge

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

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 laws). 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 group and parent company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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
- 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.

In so far as each of the directors are aware:

- there is no relevant audit information of which the group's auditor is 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 auditor is 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.

Financial risk management objectives

On projects where the group has legal ownership of property assets, the group uses predominantly debt finance to fund these. Security on the debt is predominantly in the form of specific fixed charges over the relevant property assets.

The group considers that its exposure to adverse interest rate movements is not currently significant. Interest rate hedging instruments are utilised where appropriate. The loans are regularly reviewed and renegotiated to meet the needs of the group.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD



J A Greenslade
Director

12/3/12



Report of the independent auditor to the members of Barwood Developments Limited (registered number 4537090)

We have audited the financial statements of Barwood Developments Limited and its subsidiary undertaking for the year ended 29 February 2012 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. 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 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 auditor

As explained more fully in the Directors' Responsibilities 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. 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 29 February 2012 and of the group's profit for the year 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.



Report of the independent auditor to the members of Barwood Developments Limited (registered number 4537090)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

A handwritten signature in black ink, appearing to read "Steve Robinson".

Steve Robinson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Kettering

12 September 2012

Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

The directors have considered the working capital needs of the business by preparing detailed plans for future projects, reviewing results for those plans on a regular basis and ensuring that adequate facilities are in place to cover fluctuations in future projects for the next twelve months and have concluded that with the continued support of Barwood Developments Limited the company will be able to meet its liabilities as they fall due

On the basis of the above support, the directors consider that the company will continue in operational existence for the foreseeable future and accordingly the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this support

The principal accounting policies of the group are set out below. The policies have remained unchanged from the previous year

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 8) drawn up to 29 February 2012. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date

Basis of consolidation of interest in Barwood Property Investment Limited Partnership, BPIF (Walton) LLP, BPIF (Andover) LLP, BPIF (Luton) LLP, BPIF (Chiltern) LLP and BDL Wellesbourne LLP

As general partner of the entities listed above the company is considered to have control over it. It has no direct investment in the limited partnership and is entitled to a nominal share of the results but has no entitlement to the assets of the partnership. See note 25 for further details

Turnover

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts

Stocks

Stocks are stated at the lower of cost and net realisable value

Work in progress

Costs associated with long-term contracts are included in stocks to the extent that they do not relate to contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account

Long-term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

When development projects are pre-funded by institutions, pre-let to tenants and have fixed price construction contracts in place, attributable profits are recognised over the period of the contract once the outcome can be assessed with reasonable certainty.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Computer equipment, leasehold improvements	50% per annum
Office equipment	25% per annum
Computer software	100% per annum
Fixtures and fittings	10% per annum

Investments

Investments are included at cost less amounts written off.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

Retirement benefits

The pension costs charged against operating profits are the amount of the contributions payable to the schemes in respect of the accounting period.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken to reserves. All other exchange differences are dealt with through the profit and loss account.

Associates

Group

Investments in associated undertakings are carried in the consolidated balance sheet at the group's share of their net assets at the date of acquisition and of their post-acquisition retained profits or losses together with any goodwill arising on the acquisition, net of amortisation. The investor's share of the results is included within the consolidated profit and loss account.

When the group's share of losses in an associate equals or exceeds its interest in the undertaking, the group continues to recognise those losses until an irrecoverable event occurs that marks the investor's irreversible withdrawal from its investee as an associate.

Company

The company balance sheet shows the investment in associates at cost less amounts written off.

Consolidated profit and loss account

	Note	2012 £	2011 £
Turnover	1	6,426,355	10,263,249
Cost of sales	2	<u>(4,297,012)</u>	<u>(8,975,798)</u>
Gross profit		2,129,343	1,287,451
Administrative expenses	2	<u>(1,443,927)</u>	<u>(965,248)</u>
Operating profit		685,416	322,203
Exceptional items			
Share of profit/(loss) from fixed asset investments		11,071	(70,207)
Net interest	3	<u>(28,708)</u>	<u>(260,152)</u>
Profit/(loss) on ordinary activities before taxation	1	667,779	(8,156)
Tax charge on profit/(loss) on ordinary activities	5	<u>(250,966)</u>	<u>(16,753)</u>
Profit/(loss) for the financial year	13	416,813	(24,909)
Minority interest	14	<u>-</u>	<u>-</u>
Profit/(loss) attributable to the members of the parent company		<u>416,813</u>	<u>(24,909)</u>

There were no other recognised gains or losses other than the result for the financial year

Consolidated balance sheet

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	7	136,412	93,026
Investment	8	<u>(47,386)</u>	<u>(58,456)</u>
		89,026	34,570
Current assets			
Stock	9	97,237	3,020,807
Debtors	10	2,134,115	1,648,731
Cash at bank and in hand		<u>1,148,829</u>	<u>263,902</u>
		3,380,181	4,933,440
Creditors: amounts falling due within one year	11	<u>(2,191,819)</u>	<u>(4,107,435)</u>
Net current assets		1,188,362	826,005
Minority interest	14	<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>1,277,388</u>	<u>860,575</u>
Capital and reserves			
Called up share capital	12	100,800	100,800
Share premium account	13	115,200	115,200
Other reserves	13	24,000	24,000
Profit and loss account	13	<u>1,037,388</u>	<u>620,575</u>
Shareholders' funds	15	<u>1,277,388</u>	<u>860,575</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2012

They were signed on its behalf by

R W Bower
 Director

J A Greenslade
 Director

Company number 4537090

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

Balance sheet

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	7	136,412	93,026
Investments	8	5,005	5,005
		141,417	98,031
Current assets			
Stocks	9	97,237	-
Debtors	10	1,646,941	1,928,553
Cash at bank and in hand		906,741	92,169
		2,650,919	2,020,722
Creditors: amounts falling due within one year	11	(1,772,661)	(1,540,577)
Net current assets		878,258	480,145
Total assets less current liabilities		1,019,675	578,176
Capital and reserves			
Called up share capital	12	100,800	100,800
Share premium account	13	115,200	115,200
Other reserves	13	24,000	24,000
Profit and loss account	13	779,675	338,176
Shareholders' funds	15	1,019,675	578,176

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2012

They were signed on its behalf by

R W Bowen
 Director

J A Greenslade
 Director

Company number 4537090

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

Consolidated cash flow statement

	Note	2012 £	2011 £
Net cash inflow from operating activities	16	3,745,556	8,589,699
Returns on investments and servicing of finance			
Interest paid		(57,750)	(268,925)
Interest received		29,042	8,773
Net cash outflow from returns on investments and servicing of finance		<u>(28,703)</u>	<u>(260,152)</u>
Taxation		8,979	18,129
Capital expenditure and financial investment			
Purchase of tangible fixed assets and disposal of investment		<u>(90,900)</u>	<u>(450)</u>
Net cash outflow from capital expenditure and financial investment		<u>(90,900)</u>	<u>(450)</u>
Financing			
Repayment of borrowings		<u>(2,750,000)</u>	<u>(8,577,818)</u>
Net cash outflow from financing		<u>(2,750,000)</u>	<u>(8,577,818)</u>
Increase/(decrease) in cash	17	<u>884,927</u>	<u>(230,592)</u>

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

Notes to the financial statements

1 Turnover and profit/(loss) on ordinary activities before taxation

Turnover is attributable to one main activity, the undertaking and management of commercial property development and the enhancement of the use and value of land. Turnover is derived entirely within the UK.

The profit/(loss) on ordinary activities is stated after

	2012 £	2011 £
Auditor's remuneration		
- Fees payable to the company's auditor for the audit of the group's annual accounts	24,100	24,000
- Fees payable to the company's auditor for other services		
Tax services for the group	5,200	5,250
Depreciation and amortisation		
Tangible fixed assets owned	47,515	22,919
	<u>47,515</u>	<u>22,919</u>

2 Other operating expenses

	2012 £	2011 £
Cost of sales	4,297,012	8,975,798
Administrative expenses	1,443,927	965,248

3 Net interest

	2012 £	2011 £
On loans and overdrafts	(57,750)	(268,925)
Other interest received and similar income	29,042	8,773
	<u>(28,708)</u>	<u>(260,152)</u>

4 Directors and employees

Staff costs during the year were as follows

	2012 £	2011 £
Wages and salaries	1,049,839	662,724
Social security costs	137,430	80,554
Other pension costs	210,673	22,594
	<u>1,397,942</u>	<u>765,872</u>

The average number of employees during the year was 10 (2011 - 10) all of whom were engaged in administration

Remuneration in respect of directors was as follows

	2012 £	2011 £
Emoluments	880,867	517,275
Pension contributions to money purchase pension schemes	201,874	46,800
	<u>1,082,741</u>	<u>564,075</u>

During the year 2 directors (2011 - 2) participated in money purchase pension schemes

The amounts set out above include remuneration in respect of the highest paid director as follows

	2012 £	2011 £
Emoluments	127,250	119,402
Pension contributions to money purchase pension schemes	89,383	-
	<u>216,633</u>	<u>119,402</u>

5 Tax on profit/(loss) on ordinary activities

The tax charge represents

	2012 £	2011 £
Corporation tax at 26 17% (2011 - 28%)	229,743	16,753
Prior year adjustment	21,223	-
Total current tax	<u>250,966</u>	<u>16,753</u>

Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax of 26% (2011 - 28%)

The difference can be explained as follows

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	<u>665,883</u>	<u>(8,156)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 26 17% (2011 - 28%)	174,262	(2,284)
Effect of		
Expenses not deductible for tax purposes	51,968	40,130
Capital allowances in arrears of depreciation	(15,346)	-
Prior year adjustment	(8,685)	-
Other timing differences	583	(5,583)
Group relief	(276)	-
Created trading losses	-	(15,510)
Marginal relief	(3,483)	-
Differences arising due to higher rate of tax	<u>51,973</u>	<u>-</u>
Current tax charge for year	<u>250,966</u>	<u>16,753</u>

6 Profit for the financial year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £441,499 which is dealt with in the financial statements of the company.

7 Tangible fixed assets

Group and company

	Fixtures and fittings £	Leasehold improvements £	Computer equipment £	Computer software £	Office equipment £	Total £
Cost						
At 1 March 2011	183,593	6,136	56,634	53,421	113,251	413,035
Additions	-	-	63,898	26,366	637	90,901
At 29 February 2012	183,593	6,136	120,532	79,787	113,888	503,936
Depreciation						
At 1 March 2011	91,796	6,136	56,503	53,421	112,153	320,009
Provided in the year	18,360	-	15,055	13,288	812	47,515
At 29 February 2012	110,156	6,136	71,558	66,709	112,965	367,524
Net book value at 29 February 2012	<u>73,437</u>	<u>-</u>	<u>48,974</u>	<u>13,078</u>	<u>923</u>	<u>136,412</u>
Net book value at 28 February 2011	<u>91,797</u>	<u>-</u>	<u>131</u>	<u>-</u>	<u>1,098</u>	<u>93,026</u>

8 Investments

Group

The following are the investments of the group

	Investment in partnerships £	Investment in associated undertakings £	Total £
Alba Verwaltungs GmbH	-	(4,816)	(4,816)
Alba Herford Invest GmbH & Co KG	(42,570)	-	(42,570)
	<u>(42,570)</u>	<u>(4,816)</u>	<u>(47,386)</u>

Entity	Entity type	Country of registration	Proportion held by group	Nature of business
Alba Verwaltungs GmbH	Limited company	Germany	50%	Commercial property development
Alba Herford Invest GmbH & Co KG	Partnership	Germany	50%	Commercial property development

Investments (continued)

Company	Investment in group undertakings £
Cost	
At 1 March 2011	5,005
Additions	280,001
Disposals	(280,001)
	<hr/>
At 29 February 2012	5,005
	<hr/>
Net book value at 29 February 2012	5,005
	<hr/>
Net book value at 28 February 2011	5,005
	<hr/>

The following are the subsidiaries of the company

Company	Country of incorporation	Class of share capital held	Proportion held by the parent	Proportion held by the group	Nature of business
Barwood Developments Europe Limited	Great Britain (registered in England and Wales)	Ordinary	75%	-	Commercial property development
Barwood Developments (Chiltern Park) Limited	Great Britain (registered in England and Wales)	Ordinary	100%	-	Commercial property development
Barwood Capital Limited	Great Britain (registered in England and Wales)	Ordinary	100%	-	Fund management and advisor to property investors
Barwood General Partner Limited	Great Britain (registered in England and Wales)	Ordinary	100%	-	Corporate advisory services
BD Silverstone Limited	Great Britain (registered in England and Wales)	Ordinary	100%	-	Commercial property development
Barwood General Partner (Nominee) Limited	Great Britain (registered in England and Wales)	Ordinary	-	100%	Dormant

9 Stocks

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Work in progress	<u>97,237</u>	<u>97,237</u>	<u>3,020,807</u>	<u>-</u>

10 Debtors

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Trade debtors	427,113	13,650	26,351	18,936
Amounts owed by group undertakings	-	1,491,266	-	1,757,421
Amounts owed by associated undertakings	116,269	98,500	135,068	135,068
Amounts recoverable on contracts	316,484	16,484	317,032	-
Other debtors	1,258,460	11,252	1,153,816	663
Prepayments	15,789	15,789	16,464	16,465
	<u>2,134,115</u>	<u>1,646,941</u>	<u>1,648,731</u>	<u>1,928,553</u>

11 Creditors: amounts falling due within one year

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Other loan	-	-	2,750,000	1,250,000
Trade creditors	619,959	172,282	300,715	39,065
Amounts owed to group undertakings	-	885,096	-	55,002
Amounts owed to related parties	21,403	21,403	-	-
Corporation tax	375,956	178,861	116,011	-
Social security and other taxes	502,398	483,261	124,325	123,279
Other creditors and accruals	672,103	31,758	816,384	73,231
	<u>2,191,819</u>	<u>1,772,661</u>	<u>4,107,435</u>	<u>1,540,577</u>

Interest is being charged at a rate based on a margin of between 1% per annum above the LIBOR or 9.5% flat rate

12 Share capital

	2012 £	2011 £
Authorised 120,000 ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>
Equity shares Allotted, called up and fully paid 100,800 ordinary shares of £1 each	<u>100,800</u>	<u>100,800</u>

13 Reserves

Group	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 1 March 2011	24,000	115,200	620,575
Profit for the year	-	-	416,813
At 29 February 2012	<u>24,000</u>	<u>115,200</u>	<u>1,037,388</u>
Company	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 1 March 2011	24,000	115,200	338,176
Profit for the year	-	-	441,499
At 29 February 2012	<u>24,000</u>	<u>115,200</u>	<u>779,675</u>

14 Minority interest

	2012 £	2011 £
Balance brought forward	-	-
Profit and loss movement	10	-
Provided against	<u>(10)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

15 Reconciliation of movements in shareholders' funds

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Profit/(loss) for the year and net increase/(decrease) in shareholders' funds	416,813	441,499	(24,909)	(821,644)
Minority interest	-	-	-	-
Shareholders' funds at 1 March 2011	<u>860,575</u>	<u>578,176</u>	<u>885,484</u>	<u>1,399,820</u>
Shareholders' funds at 29 February 2012	<u>1,277,388</u>	<u>1,019,675</u>	<u>860,575</u>	<u>578,176</u>

16 Net cash outflow from operating activities

	2012 £	2011 £
Operating profit	685,416	322,203
Depreciation	47,515	22,919
Decrease in stocks	2,923,570	7,939,205
Increase in debtors	(485,384)	(165,964)
Increase in creditors	574,439	471,336
Net cash inflow from operating activities	<u>3,745,556</u>	<u>8,589,699</u>

17 Reconciliation of net cash flow to movement in net cash/(debt)

	2012 £	2011 £
Increase/(decrease) in cash in the year	884,927	(230,592)
Cash inflow from financing	<u>2,750,000</u>	<u>8,577,818</u>
Change in net debt resulting from cashflows and movement in net debt in the year	3,634,927	8,347,226
Net debt at 1 March 2011	<u>(2,486,098)</u>	<u>(10,833,324)</u>
Net cash/(debt) at 29 February 2012	<u>1,148,829</u>	<u>(2,486,098)</u>

18 Analysis of changes in net debt

	At 1 March 2011	Cashflow £	At 29 February 2012 £
Cash at bank and in hand	263,902	884,927	1,148,829
Debt	<u>(2,750,000)</u>	<u>2,750,000</u>	<u>-</u>
	<u>(2,486,098)</u>	<u>3,634,927</u>	<u>1,148,829</u>

19 Pensions

The group contributes to defined contribution pension schemes for the benefit of the directors and staff. The schemes are individual personal pension plans and are independent from the funds of the group.

20 Capital commitments

The group and the company had no capital commitments at 29 February 2012 or 28 February 2011.

21 Contingent liabilities

There were no contingent liabilities at 29 February 2012 or 28 February 2011.

22 Leasing commitments

Company and Group

Operating lease payments amounting to £88,460 (2011 - £88,460) are due within one year. The leases to which these amounts relate expire as follows

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	-	-	-
Between one and five years	-	3,900	-	3,900
In five years or more	84,560	-	84,560	-
	<u>84,560</u>	<u>3,900</u>	<u>84,560</u>	<u>3,900</u>

23 Transactions with related parties

As a wholly owned subsidiary of Barwood Developments Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with its parent company or other wholly owned members of the group headed by Barwood Developments Limited on the grounds that the consolidated accounts are publicly available from Companies House

- i During the prior year the company entered into the following transactions with Barwood House LLP, a limited liability partnership with common members

	2012 £	2011 £
Rent charged by Barwood House LLP	<u>84,688</u>	<u>84,560</u>

- ii During the year the company entered into the following transactions with BIS (Integrated Solutions) UK Limited, a company with common directors

	2012 £	2011 £
Rent charged to BIS (Integrated Solutions) UK Limited	<u>42,830</u>	<u>41,172</u>
Amounts owed by BIS (Integrated Solutions) UK Limited	<u>4,252</u>	<u>3,451</u>

- iii During the year the company entered into the following transactions with Barwood Land & Estates Limited, a company with common directors

	2012 £	2011 £
Costs charged to Barwood Land & Estates Limited	<u>361,341</u>	<u>376,881</u>
Amounts owed by Barwood Land & Estates Limited	<u>26,500</u>	<u>36,404</u>

Transactions with related parties (continued)

- iv During the year the company entered into the following transactions with Barwood Ventures Limited, a company with common directors

	2012	2011
	£	£
Loans advanced to Barwood Ventures Limited	-	324,419
Costs charged to Barwood Ventures Limited	464,167	56,264
Interest receivable from Barwood Ventures Limited	11,252	8,774
Amounts owed by Barwood Ventures Limited	<u>72,000</u>	<u>98,664</u>

- v During the year the company entered into the following transactions with Barwood Developments Europe Limited, a company with common directors

	2012	2011
	£	£
Costs recharged by Barwood Developments Europe Limited	10,351	(2,843)
Amounts owed by Barwood Developments Europe Limited	<u>1,224,037</u>	<u>1,234,388</u>

24 Controlling related party

The directors are the company's controlling related party by virtue of their direct shareholdings

25 Basis of consolidation of interest in Barwood Property Investment Limited Partnership, BPIF (Walton) LLP, BPIF (Andover) LLP, BPIF (Luton) LLP, BPIF (Chiltern) LLP and BDL Wellesbourne LLP

As general partner of the entities listed above the company is considered to have control over it. It has no direct investment in the limited partnership and is entitled to a nominal share of the results but has no entitlement to the assets of the partnership.

The directors consider the financial statements would not give a true and fair view if the assets and liabilities and income and expenditure of the partnership were to be fully consolidated. Therefore they have taken advantage of s404(5) of the Companies Act 2006 and proportionally consolidated its interest in the limited partnership and limited liability partnerships in order for the financial statements to give a true and fair view.

If the financial statements of the partnership were fully consolidated the group's financial statements would change by the following amounts:

Barwood Property Investment Limited Partnership

	Year ended 29 February 2012	Year ended 28 February 2011 (restated)
	£	£
Loss before minority interests	(412,352)	(500,213)
Minority interests in the profit and loss account	<u>412,352</u>	<u>500,213</u>
Net amount	<u>-</u>	<u>-</u>

Basis of consolidation of interest in Barwood Property Investment Limited Partnership, BPIF (Walton) LLP, BPIF (Andover) LLP, BPIF (Luton) LLP, BPIF (Chiltern) LLP and BDL Wellesbourne LLP (continued)

	£	(restated) £
Fixed assets	619,527	-
Net current liabilities	(1,404,299)	(982,947)
Minority interests in the balance sheet	784,772	982,947

Net assets	-	-
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	BPIF (Andover) LLP £	BPIF (Chiltern) LLP £	BPIF (Luton) LLP £	BPIF (Walton) LLP £	BDL Wellesbourne LLP £
2012					
Profit before minority interests	251,619	101,419	148,809	147,026	-
Minority interests in the profit and loss account	(251,619)	(101,419)	(148,809)	(147,026)	-
Net amount	-	-	-	-	-

	BPIF (Andover) LLP £	BPIF (Chiltern) LLP £	BPIF (Luton) LLP £	BPIF (Walton) LLP £	BDL Wellesbourne LLP £
2011					
Profit before minority interests	103,200	-	17,063	72,556	-
Minority interests in the profit and loss account	(103,200)	-	(17,063)	(72,556)	-
Net amount	-	-	-	-	-

	BPIF (Andover) LLP £	BPIF (Chiltern) LLP £	BPIF (Luton) LLP £	BPIF (Walton) LLP £	BDL Wellesbourne LLP £
2012					
Fixed assets	4,150,000	5,500,000	2,450,000	2,700,000	758,576
Net current liabilities	(1,386,690)	(2,624,825)	(1,888,654)	(1,179,671)	(758,576)
Long term liabilities	(2,490,337)	(2,121,818)	-	(1,394,276)	-
Minority interests in the profit and loss account	(272,973)	(753,357)	(561,346)	(126,053)	-
Net amount	-	-	-	-	-

Basis of consolidation of interest in Barwood Property Investment Limited Partnership, BPIF (Walton) LLP, BPIF (Andover) LLP, BPIF (Luton) LLP, BPIF (Chiltern) LLP and BDL Wellesbourne LLP (continued)

2011	BPIF (Andover) LLP £	BPIF (Chiltern) LLP £	BPIF (Luton) LLP £	BPIF (Walton) LLP £	BDL Wellesbourne LLP £
Fixed assets	4,128,646	-	2,028,620	2,720,973	-
Net current liabilities	(4,025,446)	-	(2,011,557)	(2,648,417)	-
Minority interests in the profit and loss account	(103,200)	-	(17,063)	(72,556)	-
Net amount	-	-	-	-	-

The partnerships prepare audited accounts to March. The above incorporates unaudited results to 31 March 2012. The non-coterminous year ends are within the range specified by the standards.

BPILP has taken advantage of the exemption from the requirement to file financial statements conferred by regulation 5 of the Limited Partnerships Regulations 569.

The financial statements are available from Companies House.