

Registered number: 04601169

## HEATH ROAD INVESTMENTS LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

WEDNESDAY



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## HEATH ROAD INVESTMENTS LIMITED

### COMPANY INFORMATION

<b>Directors</b>	M J Duschenes W M Robinson J S Murphy
<b>Secretary</b>	D Yarrow
<b>Company number</b>	04601169
<b>Registered office</b>	Richmond House Hale Altrincham WA14 2XP
<b>Auditors</b>	PKF (UK) LLP Sovereign House Queen Street Manchester M2 5HR
<b>Bankers</b>	The Royal Bank of Scotland plc 1 Spinningfields Square Manchester M3 3AP
<b>Solicitors</b>	Beachcroft LLP St Ann's House St Ann Street Manchester M2 7LP

# **HEATH ROAD INVESTMENTS LIMITED**

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**HEATH ROAD INVESTMENTS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

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

**Principal activities**

The company acts as an intermediate holding company

**Business review**

The company acted as an intermediate holding company in the year

**Results**

The loss for the year, after taxation, amounted to £4,585 (2007 profit- £143,153)

**Director**

The directors who served during the year were

M J Duschenes  
W M Robinson  
J S Murphy (appointed 17/12/2007)

**Future developments**

The company continues to operate as an intermediate holding company

**Principal risks and uncertainties**

As an intermediate holding company the principal risks faced by the company relate to the performance of its subsidiaries, which are closely monitored by the director

**Financial risks**

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

**Provision of information to auditors**

So far as the directors are aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

This report was approved by the board on 17 July 2008 and signed on its behalf



**W M Robinson**  
Director

## **HEATH ROAD INVESTMENTS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2008**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial 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 to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to

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

## **HEATH ROAD INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEATH ROAD INVESTMENTS LIMITED**

We have audited the financial statements of Heath Road Investments Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. The 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 directors and auditors**

The directors' responsibilities for preparing the annual report and 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 have been 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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.

**HEATH ROAD INVESTMENTS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEATH ROAD INVESTMENTS 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 March 2008 and of its loss 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 director's report is consistent with the financial statements



**PKF (UK) LLP**

Registered auditors

Manchester, UK

17 July 2008

# HEATH ROAD INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

		2008	2007
	Note	£	£
<b>TURNOVER</b>	1,2	-	1,439,164
Cost of sales		-	(1,294,775)
<b>GROSS PROFIT</b>		-	144,389
Administrative expenses		(4,585)	(1,236)
<b>OPERATING (LOSS) / PROFIT</b>	3	(4,585)	143,153
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(4,585)	143,153
Tax on profit on ordinary activities	4	-	-
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	9	(4,585)	143,153

All amounts relate to continuing operations

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account

The notes on pages 7 to 10 form part of these financial statements



# HEATH ROAD INVESTMENTS LIMITED

## BALANCE SHEET AS AT 31 MARCH 2008

		2008		2007	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Fixed asset investments	5		<b>6,268</b>		10
<b>CURRENT ASSETS</b>					
Debtors	6	<b>323,979</b>		348,631	
Cash at bank		<b>1,452</b>		1,071	
		<b>325,431</b>		349,702	
<b>CREDITORS</b> , amounts falling due within one year	7	<b>(3,158)</b>		(16,586)	
<b>NET CURRENT ASSETS</b>			<b>322,273</b>		333,116
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>328,541</b>		333,126
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		<b>185,003</b>		185,003
Profit and loss account	9		<b>143,538</b>		148,123
<b>SHAREHOLDERS' FUNDS - All equity</b>	10		<b>328,541</b>		333,126

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 July 2008



**W M Robinson**  
Director

The notes on pages 7 to 10 form part of these financial statements

**HEATH ROAD INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

**1.3 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**1.4 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.5 Cash flow statement**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1.

**2. TURNOVER**

All turnover arose within the United Kingdom.

**3. OPERATING (LOSS)/ PROFIT**

During the year, no director received any emoluments (2007 - £NIL).

# HEATH ROAD INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 4. TAXATION

The tax charge for the year is £nil

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2008 £	2007 £
(Loss) / Profit on ordinary activities before tax	(4,585)	143,153
(Loss) / Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 - 30%)	(1,375)	42,946
<b>Effects of:</b>		
Expenditure not tax deductible	439	-
Set against profits of later accounting period	936	-
Group relief claimed	-	(42,946)
Current tax charge for the year	-	-

#### Factors that may affect future tax changes

There were no factors that may affect future tax charges

### 5. FIXED ASSET INVESTMENTS

	Unquoted Investments £	Shares in group under-takings £	Total £
<b>Cost or valuation</b>			
At 1 April 2007	-	10	10
Additions	6,250	8	6,258
At 31 March 2008	6,250	18	6,268

Unquoted investments represents a holding of 6,250 ordinary shares of Braemar UK Agricultural Land plc a company formed to develop an agricultural land holding and farming business This represents a holding of 0.4% of the ordinary share capital and voting rights

#### Shares in group under-takings

The following were the principal subsidiary undertakings of the company

Braemar Estates (Residential) Limited	100% of the equity capital owned
Coronation I General Partner Limited	100% of the equity capital owned
Coronation II General Partner Limited	100% of the equity capital owned
Coronation III General Partner Limited	100% of the equity capital owned
Coronation IV General Partner Limited	100% of the equity capital owned
Coronation VI General Partner Limited	100% of the equity capital owned
ReGen General Partner Limited	100% of the equity capital owned
OEG General Partner Limited	100% of the equity capital owned
Coronation Carried Interest Limited	100% of the equity capital owned
Coronation II Carried Interest Limited	100% of the equity capital owned
Coronation III Carried Interest Limited	100% of the equity capital owned

# HEATH ROAD INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

Coronation IV Carried Interest Limited	100% of the equity capital owned
Coronation VI Carried Interest Limited	100% of the equity capital owned
ReGen Carried Interest Limited	100% of the equity capital owned
OEG Carried Interest Limited	100% of the equity capital owned

### 6. DEBTORS

	2008 £	2007 £
Trade debtors	-	17,652
Amounts owed by group undertakings	323,979	330,979
	<hr/>	<hr/>
	323,979	348,631

The amounts owed by group undertakings are unsecured, interest free and have no fixed terms of repayment

### 7. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	2,441	15,877
Other creditors	717	709
	<hr/>	<hr/>
	3,158	16,586

### 8. SHARE CAPITAL

	2008 £	2007 £
<b>Authorised, allotted, called up and fully paid</b>		
2 Ordinary A shares of £1 each	2	2
1 Ordinary B share of £1 each	1	1
185,000 Ordinary C shares of £1 each	185,000	185,000
	<hr/>	<hr/>
	185,003	185,003

The Ordinary B and Ordinary C shares have no voting rights

# HEATH ROAD INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 9. RESERVES

	Profit and loss account £
At 1 April 2007	148,123
Loss for the year	<u>(4,585)</u>
At 31 March 2008	<u>143,538</u>

### 10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	333,126	189,973
(Loss)/ Profit for the year	<u>(4,585)</u>	<u>143,153</u>
Closing shareholders' funds	<u>328,541</u>	<u>333,126</u>

### 11. RELATED PARTY TRANSACTIONS

The company is exempt from disclosing related party transactions with other group companies by virtue of it being a greater than 90% subsidiary undertaking of Braemar Group plc

### 12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Braemar Group plc. The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Braemar Group Plc. Consolidated accounts are available from Companies House, Cardiff CF14 3UZ. In the opinion of the director this is the company's ultimate parent company.