

Bbay (Knightsbridge) Ltd

Directors' report and financial statements

For the year ended 31 December 2011

Company Number: 06908187

SATURDAY



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COMPANIES HOUSE

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..... <i>CM Lawlor</i>	
Name <u>CIARAN MICHAEL LAWLOR</u>	Date <u>02 JUL 2012</u>
Position <u>Director</u>	
For and on behalf of Standard Bank Trust Company (Isle of Man) Limited	

Bbay (Knightsbridge) Ltd

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Bbay (Knightsbridge) Ltd

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2011

Principal activity

The principal activity of the Company is that of holding an investment property

Business review

During 2009 the Company acquired a London based investment property which is fully let. The Company will continue to own and rent out the property

Results and transfer to reserves

The results and transfers to reserves for the year are set out on page 5

Dividend

The Directors do not propose the payment of a dividend (2010 £Nil)

Charitable donations

During the year the Company made a donation of £Nil (2010 £200,000) to the Bogolyubov Foundation, a UK registered charity (number 1124193)

Directors

The Directors who served during the year and to date were


Buxton Limited
Ciaran Michael Lawlor
Paul John Carpenter

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Our auditors, KPMG Audit LLC, being eligible, have expressed their willingness to continue in office in accordance with Section 485 of the Companies Act 2006

On behalf of the Board


Paul John Carpenter
Director

19 Cavendish Square
London, W1A 2AW

Bbay (Knightsbridge) Ltd

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice) 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 estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with UK Accounting Standards, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Report of the Independent Auditors, KPMG Audit LLC, to the member of Bbay (Knightsbridge) Ltd

We have audited the financial statements of Bbay (Knightsbridge) Ltd for the year ended 31 December 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards.

This report is made solely to the company's member 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 member 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 member, 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 2, 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 company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Accounting Standards, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Report of the Independent Auditors, KPMG Audit LLC, to the member of Bbay (Knightsbridge) Ltd (continued)

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

A handwritten signature in black ink, appearing to read 'M R Kelly'.

21 February 2012

M R Kelly (Senior Statutory Auditor)
for and on behalf of KPMG Audit LLC, Statutory Auditor
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN

Bbay (Knightsbridge) Ltd

Profit and loss account

for the year ended 31 December 2011

	Notes	£	2011 £	£	2010 £
Income					
Rental income	1c)	4,182,259		4,214,696	
Bank interest		949		978	
Sundry income		4,041		-	
			4,187,249		4,215,674
Expenses	1d)				
Administrative expenses		(183,663)		(275,353)	
Property expenses		(421,470)		(837,275)	
			(605,133)		(1,112,628)
Operating profit			3,582,116		3,103,046
Charitable donations	12		-		(200,000)
Profit before tax	2		3,582,116		2,903,046
Taxation	3		(965,704)		(813,028)
Profit after tax			2,616,412		2,090,018

The notes on pages 9 to 13 form part of these financial statements

The Directors consider that all results derive from continuing activities

Bbay (Knightsbridge) Ltd

Balance sheet
as at 31 December 2011

	Notes	£	2011 £	£	2010 £
Non-current assets					
Investment property	4		72,400,000		72,400,000
Current assets					
Debtors and prepayments	5	4,859,457		5,448,955	
Cash at bank		468,233		160,183	
		<u>5,327,690</u>		<u>5,609,138</u>	
Current liabilities					
Creditors	6	(5,453,157)		(5,023,832)	
Taxation	3	(502,964)		(318,375)	
		<u>(5,956,121)</u>		<u>(5,342,207)</u>	
Net current liabilities			<u>(628,431)</u>		<u>266,931</u>
Total assets less current liabilities			71,771,569		72,666,931
Non-current liabilities					
Long-term loans payable	7		(52,625,520)		(56,139,165)
Provision for liabilities and charges	3(a)		(34,306)		(32,435)
Net assets			<u>19,111,743</u>		<u>16,495,331</u>
Capital and reserves					
Share capital	8		1		1
Revaluation reserve	9		13,138,944		13,138,944
Retained reserves	9		5,972,798		3,356,386
Equity shareholder's funds	10		<u>19,111,743</u>		<u>16,495,331</u>

The notes on pages 9 to 13 form part of these financial statements

These financial statements were approved by the Board of Directors on ~~20 February 2012~~ and were signed on their behalf by



Paul John Carpenter
Director

Bbay (Knightsbridge) Ltd

Cash flow statement

for the year ended 31 December 2011

	2011	2010
	£	£
Cash flow from operating activities		
Profit before tax	3,582,116	2,903,046
Adjusted for		
Decrease/(increase) in debtors and prepayments	589,498	(334,702)
Increase in creditors	429,325	133,387
Interest received	(949)	(978)
Taxation paid	(779,244)	(956,639)
Net cash generated from operating activities	3,820,746	1,744,114
Cash flows used in investing activities		
Addition to investment property	-	(160,000)
Cash flows from financing activities		
Loans received 7	22,073,127	57,564,248
Loans repaid 7	(25,586,772)	(59,717,189)
Interest received	949	978
	(3,512,696)	(2,151,963)
Net decrease in cash	308,050	(567,849)
Cash at 31 December 2010	160,183	728,032
Cash at 31 December 2011	468,233	160,183

The notes on pages 9 to 13 form part of these financial statements

Bbay (Knightsbridge) Ltd

Statement of Total Recognised Gains and Losses *for the year ended 31 December 2011*

	<i>Note</i>	2011 £	2010 £
Profit for the financial year		2,616,412	2,090,018
Property revaluation	4	-	13,138,944
Total recognised gains and losses relating to the year		<u>2,616,412</u>	<u>15,228,962</u>

The notes on pages 9 to 13 form part of these financial statements

Bbay (Knightsbridge) Ltd

Notes

(forming part of the financial statements for the year ended 31 December 2011)

1 Accounting policies

a) *Basis of accounting*

These financial statements are prepared under the historical cost convention as modified for the revaluation of the investment property and in accordance with UK Accounting Standards

b) *Investment property*

Investment properties are included at the Directors' estimate of their open market value in accordance with Statement of Standard Accounting Practice No 19 (SSAP 19). If any resulting deficit on a property is considered to be permanent that deficit is charged to the profit and loss account, otherwise the resulting surplus or deficit is transferred to a revaluation reserve. No depreciation is provided.

c) *Rental income received*

Rental income from investment property is recognised on a straight line basis over the term of the lease.

d) *Expenses*

Expenses are accounted for on an accruals basis.

e) *Deferred taxation*

Deferred taxation is provided on timing differences arising from the recognition of income and expenditure in different periods for taxation and accounting purposes where timing differences have originated but not reversed by the balance sheet date, in accordance with FRS 19 "Deferred Tax".

2 Profit before taxation

Profit before taxation is stated after charging

	2011 £	2010 £
Auditors' remuneration	<u>4,050</u>	<u>3,312</u>

Bbay (Knightsbridge) Ltd

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2011)

3 Taxation

a) Analysis of charge in the period

	2011 £	2010 £
Profit and loss account		
Current tax		
UK corporation tax at 26.5% (2010: 28%) based on profits for the year	964,008	805,543
(Over)/under provision from previous years	(175)	-
	<u>963,833</u>	<u>805,543</u>
Deferred tax		
Provision for deferred tax	1,871	7,485
	<u>965,704</u>	<u>813,028</u>
Tax on profit on ordinary activities		
	<u>965,704</u>	<u>813,028</u>
Balance sheet		
Due in less than one year	502,964	318,375
	<u>502,964</u>	<u>318,375</u>
Deferred tax		
Accelerated capital allowances	34,306	32,435
	<u>34,306</u>	<u>32,435</u>
Provision at start of period	32,435	24,950
Deferred tax charge in profit and loss account	1,871	7,485
	<u>34,306</u>	<u>32,435</u>
Provision	<u>34,306</u>	<u>32,435</u>

b) Analysis of charge in the period

The tax assessed for the period is lower (2010: lower) than the rate of UK income tax. The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	<u>3,582,116</u>	<u>2,903,046</u>
Profit on ordinary activities multiplied by rate of corporation tax		
Tax at 26.5% (2010: 28%)	949,261	812,853
Effects of		
Non deductible expenses	20,663	175
Capital allowances in excess of depreciation	(5,667)	(7,485)
(Over)/under provision from previous years	(175)	-
Impact of change of corporation tax rate	(249)	-
	<u>963,833</u>	<u>805,543</u>
Current tax charge per accounts	<u>963,833</u>	<u>805,543</u>

Bbay (Knightsbridge) Ltd

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2011)

4 Investment property

	2011 £	2010 £
<i>27-31 Knightsbridge, London SW1</i>		
Purchase price	56,000,000	56,000,000
Capitalised expenses	3,261,056	3,261,056
Property revaluation	13,138,944	13,138,944
	<u>72,400,000</u>	<u>72,400,000</u>

The open market value of the investment property of the Company has been arrived at on the basis of an independent valuation carried out on 31 March 2010 by CB Richard Ellis, a qualified independent valuer with recent experience in the location and category of investment property being valued. Open market value represents the amount at which the asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction after proper marketing at the date of valuation.

The Directors have not had the property valued this year. The Directors consider its open market value as at 31 December 2011 to be unchanged.

5 Debtors and prepayments

	2011 £	2010 £
Prepayment	97,172	97,172
Due from property manager	4,238,807	4,118,374
Trade debtors	38,789	748,720
Deposit	484,689	484,689
	<u>4,859,457</u>	<u>5,448,955</u>

6 Creditors

	2011 £	2010 £
Due to tenants	3,652,528	3,647,865
Trade creditors	828,907	404,245
Deferred income	971,722	971,722
	<u>5,453,157</u>	<u>5,023,832</u>

Bbay (Knightsbridge) Ltd

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2011)

7 Loans payable

	2011 £	2010 £
Bbay (Knightsbridge) Holdings Ltd (1) (note 11)	52,572,267	56,092,167
Bbay (Knightsbridge) Holdings Ltd (2) (note 11)	53,253	46,998
	<u>52,625,520</u>	<u>56,139,165</u>

(1) The loan payable is interest free, unsecured and repayable on or before 29 June 2015

(2) The loan payable is interest free, unsecured and repayable on demand

The company received loans of £22,073,127 and repaid loans of £25,586,772 during the year

8 Share capital

	2011 £	2010 £
<i>Authorised share capital</i>		
10,000 ordinary shares of £1	<u>10,000</u>	<u>10,000</u>
<i>Issued share capital</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

9 Reserves

	Revaluation reserve £	Retained reserves £
At 1 January 2011	13,138,944	3,356,386
Retained profit for the year	-	2,616,412
At 31 December 2011	<u>13,138,944</u>	<u>5,972,798</u>

10 Statement of movements in equity shareholder's funds

	2011 £	2010 £
Brought forward	16,495,331	1,266,369
Property revaluation	-	13,138,944
Profit for year	2,616,412	2,090,018
At 31 December	<u>19,111,743</u>	<u>16,495,331</u>

Bbay (Knightsbridge) Ltd

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2011)

11 Immediate parent company and ultimate controlling party

The Company is owned by Bbay (Knightsbridge) Holdings Limited, a company incorporated in the Isle of Man. The ultimate controlling party is Marigold Trust Company Limited.

12 Charitable Donations

During the year the Company made a donation of £nil (2010 £200,000) to The Bogolyubov Foundation, a UK registered charity (number 1124193).

13 Related party transactions

During the year, the Company received administration services from Standard Bank Trust Company (Isle of Man) Limited. Ciaran Michael Lawlor and Paul John Carpenter are Directors of both Standard Bank Trust Company (Isle of Man) Limited and the Company. Fees paid to Standard Bank Trust Company during the year amounted to £5,201 (2010 £5,223), of which £2,480 (2010 £4,533) is still outstanding at the year end.