

Bbay (Knightsbridge) Ltd

Directors' report and financial statements

**For the period from 18 May 2009 (date of incorporation)
to 31 December 2009**

THURSDAY



ANC6CMHU

A17

12/08/2010

138

COMPANIES HOUSE

Bbay (Knightsbridge) Ltd

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of Directors' responsibilities	2
Report of the Independent Auditors	3 and 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes	8 to 11

Bbay (Knightsbridge) Ltd

Directors' report

The Directors present their annual report and the audited financial statements for the period from 18 May 2009 (date of incorporation) to 31 December 2009

Principal activity

The principal activity of the Company is that of property holding

Business review

During the period the Company acquired a London based investment property which is fully let

Company registration number

06908187

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

Charitable donations

During the period the Company made a donation of £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	(appointed 18 May 2009 (date of incorporation))
Ciaran Michael Lawlor	(appointed 18 May 2009 (date of incorporation))

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

Subsequent to the year end, KPMG Audit LLC, were appointed as auditors, and, 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



Ciaran Michael Lawlor
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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 proper 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 to enable them to ensure that its 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 members of Bbay (Knightsbridge) Ltd

We have audited the financial statements of Bbay (Knightsbridge) Ltd for the period from 18 May 2009 (date of incorporation) to 31 December 2009 on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Auditors

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 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 web-site at www.frc.org.uk/apb/scope/UKNP

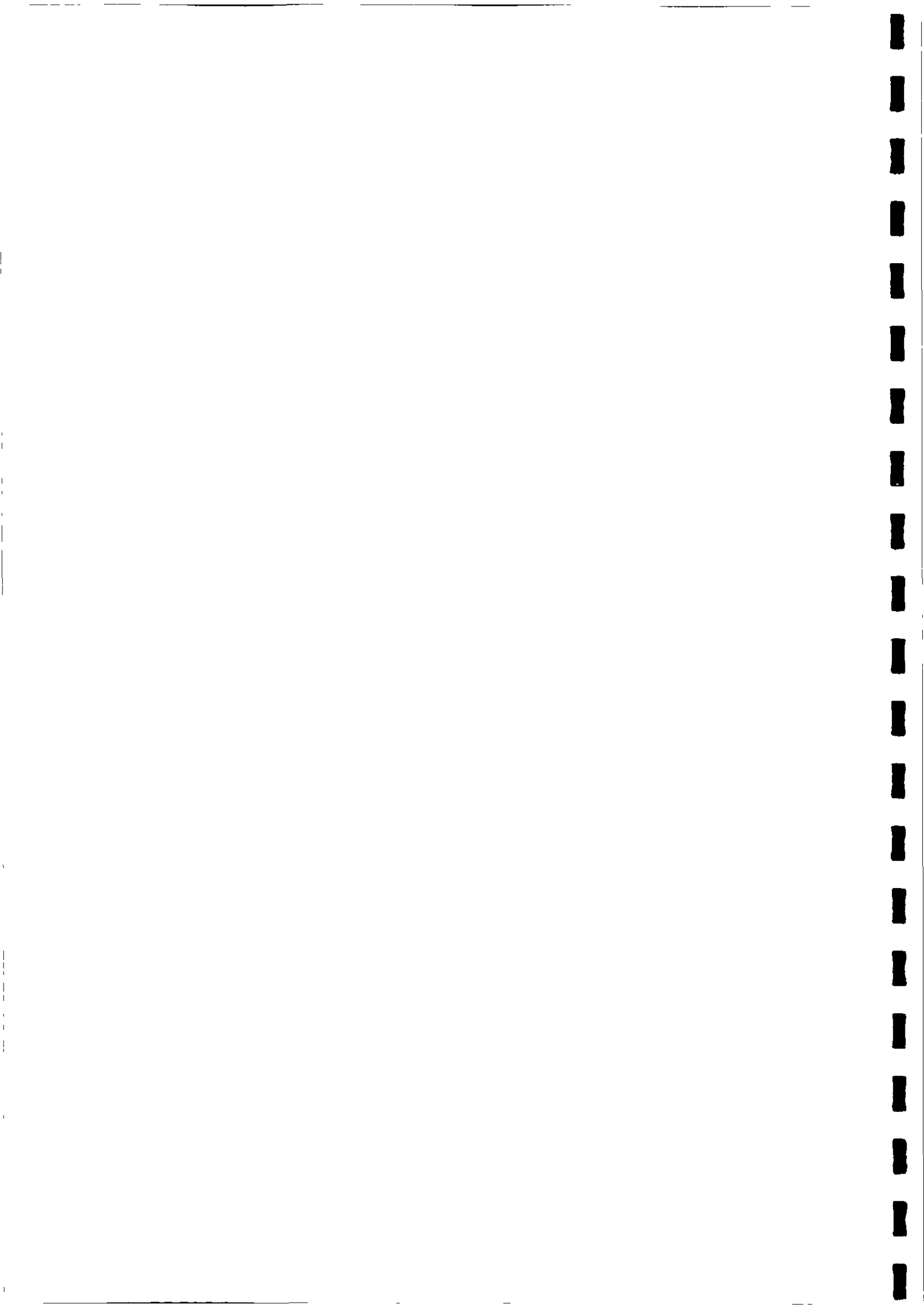
Opinion

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been properly 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 members 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

17 March 2010

M R Kelly (Director)
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 period from 18 May 2009 (date of incorporation) to 31 December 2009

	Notes	2009 £
Income		2,188,197
Expenses		
Administrative expenses		(8,478)
Property expenses		<u>(218,930)</u>
		<u>(227,408)</u>
Operating profit		1,960,789
Charitable donations	11	<u>(200,000)</u>
Profit before tax		1,760,789
Taxation	3	<u>(494,421)</u>
Profit after tax		<u>1,266,368</u>

In the current financial period, there were no recognised gains or losses other than those dealt with in the profit and loss account

The notes on pages 8 to 11 form part of these financial statements

The Directors consider all results derive from continuing activities

Bbay (Knightsbridge) Ltd

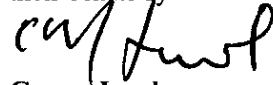
Balance sheet



as at 31 December 2009

	Notes	£	2009 £
Non-current assets			
Freehold property	4		59,101,056
			<u>59,101,056</u>
Current assets			
Debtors and prepayments	5	5,114,253	
Cash at bank		728,032	
		<u>5,842,285</u>	
Current liabilities			
Creditors	6	4,890,445	
Taxation	3	494,421	
		<u>5,384,866</u>	
Total assets less current liabilities			59,558,475
Non-current liabilities			
Long-term loans payable	7		(58,292,106)
Net assets			<u>1,266,369</u>
Capital and reserves			
Called-up share capital	8		1
Retained reserves	9		1,266,368
Equity shareholder's funds			<u>1,266,369</u>

The notes on pages 8 to 11 form part of the financial statements

These financial statements were approved by the Board of Directors on ~~16 March 2010~~ and were signed on their behalf by


Ciaran Lawlor
Director

 
Paul Laguerre
Director

Bbay (Knightsbridge) Ltd

Cash flow statement

for the period from 18 May 2009 (date of incorporation) to 31 December 2009

	Notes	2009 £
Cash flow from operating activities		
Profit before tax		1,760,789
<i>Adjusted for</i>		
Increase in trade debtors		(5,114,253)
Increase in trade creditors		4,890,445
Interest received		(146)
		<hr/>
Net cash generated from operating activities		1,536,835
 Cash flows used in investing activities		
Acquisition of investment property		(59,101,056)
		<hr/>
 Cash flows from financing activities		
Loans received		59,869,965
Loans repaid		(1,577,858)
Interest received		146
		<hr/>
		58,292,253
		<hr/>
 Net increase in cash		728,032
Cash at 18 May 2009 (date of incorporation)		-
		<hr/>
Cash at 31 December 2009		<u>728,032</u>

The notes on pages 8 to 11 form part of these financial statements

Bbay (Knightsbridge) Ltd

Notes

(forming part of the financial statements for the period from 18 May 2009 (date of incorporation) to 31 December 2009)

1 Accounting policies

a) Basis of accounting

These financial statements are prepared under the historical cost convention on a going concern basis in accordance with UK Accounting Standards

b) Leasehold property

Leasehold property is stated at cost. No depreciation is charged, as the Directors consider it to be immaterial and cost is considered to be a fair reflection of market value given the recent acquisition date.

c) Rental income received

Rental income is accounted for on an accruals basis.

d) Deposit interest received

Deposit interest is accounted for on a received basis.

e) Expenses

Expenses are accounted for on an accruals basis.

f) Taxation

The Company is subject to United Kingdom Corporation tax at a rate of 28% (see note 3).

2 Profit before taxation

Profit before taxation is stated after charging

	2009 £
Auditors' remuneration	<u>3,000</u>

Bbay (Knightsbridge) Ltd

Notes (continued)

(forming part of the financial statements for the period from 18 May 2009 (date of incorporation) to 31 December 2009)

3 Taxation

a) Analysis of charge in the period

	2009 £
Profit and loss account	
Current tax	
UK corporation tax at 28% based on profits for the year	469,471
	<u>469,471</u>
Deferred tax	
Provision for deferred tax	24,950
	<u>24,950</u>
Tax on profit on ordinary activities	<u>494,421</u>
Balance sheet	
Due in less than one year	469,471
	<u>469,471</u>
Deferred tax	
Accelerated capital allowances	24,950
	<u>24,950</u>
Provision at start of period	-
Deferred tax charge in profit and loss account	24,950
	<u>24,950</u>
Provision	<u>24,950</u>

b) Analysis of charge in the period

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

	2009 £
Profit on ordinary activities before tax	1,760,789
	<u>1,760,789</u>
Profit on ordinary activities multiplied by rate of corporation tax	
Tax at 28%	493,021
	<u>493,021</u>
<i>Effects of</i>	
Non deductible expenses	1,400
Capital allowances in excess of depreciation	(24,950)
	<u>1,375,168</u>
Current tax charge per accounts	<u>469,471</u>

Bbay (Knightsbridge) Ltd

Notes (continued)

(forming part of the financial statements for the period from 18 May 2009 (date of incorporation) to 31 December 2009)

4 Property

	2009 £
<i>27-31 Knightsbridge, London SW1</i>	
Purchase price	56,000,000
Capitalised expenses	3,101,056
	<u>59,101,056</u>

5 Debtors and prepayments

	2009 £
Prepayment	97,172
Due from property manager	3,852,944
Trade debtors	679,448
Deposit	484,689
	<u>5,114,253</u>

6 Creditors

	2009 £
Due to tenants	3,640,422
Trade creditors	278,301
Deferred income	971,722
	<u>4,890,445</u>

7 Loans payable

	2009 £
Dundeal Investments Limited	58,285,167
Bbay (Knightsbridge) Holding Ltd (note 10)	6,939
	<u>58,292,106</u>

The loan payable to Dundeal Investments Limited is due to be repaid within 5 years and unsecured and interest free. Dundeal Investments Limited is a related party due to having the same ultimate controlling party as the Company.

The loan payable to Bbay (Knightsbridge) Holdings Ltd is unsecured, interest free and repayable on demand.

Bbay (Knightsbridge) Ltd

Notes (continued)

(forming part of the financial statements for the period from 18 May 2009 (date of incorporation) to 31 December 2009)

8 Share capital

	2009 £
<i>Authorised share capital</i>	
10,000 ordinary shares of £1	<u>10,000</u>
<i>Issued share capital</i>	
1 ordinary share of £1	<u>1</u>

9 Retained reserves

	2009 £
At 18 May 2009 (date of incorporation)	-
Retained profit for the period	1,266,368
At 31 December 2009	<u>1,266,368</u>

10 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.

11 Charitable Donations

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

12 Related party transactions

During the year the Company received administration services from Standard Bank Trust Company (Isle of Man) Limited, Ciaran Lawlor is a Director of Standard Bank Trust Company (Isle of Man) Limited and the Company. These amounted to £8,170, of which £2,395 is still outstanding at the year end.