

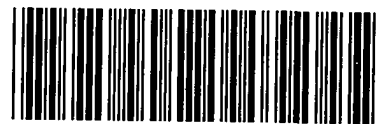
# **Bbay (Knightsbridge) Ltd**

## **Directors' report and financial statements**

**For the year ended 31 December 2013**

**Company Number: 06908187**

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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 2013.

### 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 and in note 10.

### Dividend

The Directors do not propose the payment of a dividend (2012: £Nil).

### Directors

The Directors who served during the year and to date were:

Lumbro Nominees (Jersey) Limited

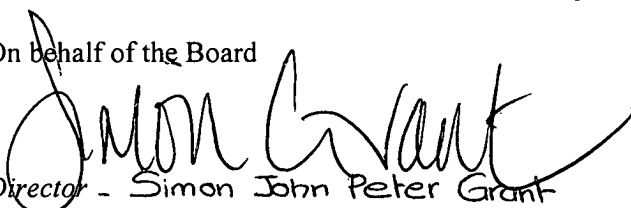
Sara Louise Crowther	(appointed 1 May 2014)
Vyacheslav Anishchenko	(appointed 14 April 2014)
Simon John Peter Grant	(appointed 14 October 2013)
Mark Carpenter	(resigned 14 October 2013)
Steven Bowen	(resigned 1 May 2014)

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

  
Director - Simon John Peter Grant

No.1 London Bridge  
London SE1 9BG

# 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 2013 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.

### **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 2013 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.



26 November 2014

**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 2013

	Notes	£	2013 £	£	2012 £
<b>Income</b>					
Rental income	1c)	4,214,696		4,214,697	
Bank interest		8,847		4,993	
Sundry income		2,432		1,350	
			<b>4,225,975</b>		4,221,040
<b>Expenses</b>	1d)				
Administrative expenses		(76,652)		(149,265)	
Property expenses		(455,185)		(452,809)	
			<b>(531,837)</b>		<b>(602,074)</b>
<b>Profit before tax</b>	2		<b>3,694,138</b>		3,618,966
Taxation	3		<b>(864,896)</b>		<b>(918,177)</b>
<b>Profit after tax</b>			<b>2,829,242</b>		<b>2,700,789</b>

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

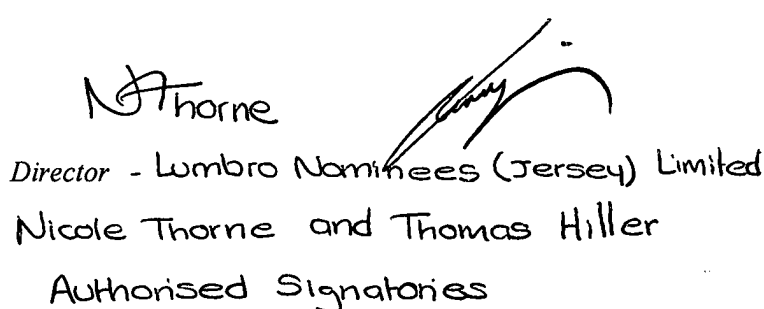
as at 31 December 2013

	Notes	£	2013 £	£	2012 £
<b>Non-current assets</b>					
Investment property	4		75,650,000		71,750,000
Debtors and prepayments	5		4,115,605		4,110,155
			<u>79,765,605</u>		<u>75,860,155</u>
<b>Current assets</b>					
Debtors and prepayments	5	996,141		1,880,752	
Cash at bank		2,046,706		360,299	
		<u>3,042,847</u>		<u>2,241,051</u>	
<b>Current liabilities</b>					
Loans payable	7	(63,849)		(59,575)	
Creditors	6	(2,163,908)		(2,065,339)	
Taxation	3	(363,515)		(436,824)	
		<u>(2,591,272)</u>		<u>(2,561,738)</u>	
<b>Net current assets / (liabilities)</b>			<u>451,575</u>		<u>(320,687)</u>
<b>Total assets less current liabilities</b>			<u>80,217,180</u>		<u>75,539,468</u>
<b>Non-current liabilities</b>					
Long-term loans payable	7		(48,638,554)		(50,720,554)
Creditors	6		(3,621,181)		(3,621,181)
Provision for liabilities and charges	3(a)		(65,671)		(35,201)
			<u>27,891,774</u>		<u>21,162,532</u>
<b>Net assets</b>			<u>27,891,774</u>		<u>21,162,532</u>
<b>Capital and reserves</b>					
Share capital	8		1		1
Revaluation reserve	9		16,388,944		12,488,944
Retained reserves	9		11,502,829		8,673,587
<b>Equity shareholder's funds</b>	10		<u>27,891,774</u>		<u>21,162,532</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 November 2014 and were signed on their behalf by:

  
Director - Simon John Peter Grant

  
Director - Lumbro Nominees (Jersey) Limited  
Nicole Thorne and Thomas Hiller  
6 Authorised Signatories

# Bbay (Knightsbridge) Ltd

## Cash flow statement

for the year ended 31 December 2013

		2013 £	2012 £
<b>Cash flow from operating activities</b>			
Profit before tax		3,694,138	3,618,966
Adjusted for:			
Increase/(Decrease) in debtors and prepayments		879,161	(1,131,450)
Increase in creditors		98,569	233,363
Interest received		(8,847)	(4,993)
Taxation paid		(907,735)	(983,422)
<b>Net cash generated from operating activities</b>		<u>3,755,286</u>	<u>1,732,464</u>
<b>Cash flows from financing activities</b>			
Loans received	7	4,274	62,609
Loans repaid	7	(2,082,000)	(1,908,000)
Interest received		8,847	4,993
<b>Net cash generated from financing activities</b>		<u>(2,068,879)</u>	<u>(1,840,398)</u>
Net increase/(decrease) in cash		1,686,407	(107,934)
Cash at 31 December 2012		<u>360,299</u>	<u>468,233</u>
<b>Cash at 31 December 2013</b>		<u><u>2,046,706</u></u>	<u><u>360,299</u></u>

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 2013*

	<i>Note</i>	<b>2013</b> £	2012 £
Profit for the financial year		<b>2,829,242</b>	2,700,789
Property revaluation	<i>4</i>	<b>3,900,000</b>	(650,000)
Total recognised gains and losses relating to the year		<b><u>6,729,242</u></b>	<b><u>2,050,789</u></b>

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 2013)

### 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".

#### f) Going concern

The Company is in a net current liability position, however, the Directors consider the going concern assumption to be appropriate as the Company is in a total net asset position and continues to make an operating profit in the foreseeable future.

### 2 Profit before taxation

Profit before taxation is stated after charging:

	2013 £	2012 £
Auditors' remuneration	<u>4,323</u>	<u>2,739</u>

# Bbay (Knightsbridge) Ltd

## Notes (continued)

(forming part of the financial statements for the year ended 31 December 2013)

### 3 Taxation

#### a) Analysis of charge in the period

	2013 £	2012 £
<b>Profit and loss account</b>		
Current tax		
UK corporation tax at 23.25% (2012: 24.5%) based on profits for the year	861,352	918,418
(Over)/under provision from previous years	(26,926)	(1,136)
	<u>834,426</u>	<u>917,282</u>
Deferred tax		
Provision for deferred tax	30,470	895
	<u>864,896</u>	<u>918,177</u>
<b>Balance sheet</b>		
Due in less than one year	363,515	436,824
	<u>65,671</u>	<u>35,201</u>
Deferred tax		
Accelerated capital allowances	65,671	35,201
	<u>35,201</u>	<u>34,306</u>
Deferred tax charge in profit and loss account	30,470	895
	<u>65,671</u>	<u>35,201</u>

#### b) Analysis of charge in the period

The tax assessed for the period is higher (2012: higher) than the rate of UK income tax.  
The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>3,693,501</u>	<u>3,618,966</u>
Profit on ordinary activities multiplied by rate of corporation tax:		
Tax at 23.25% (2012: 24.5%)	858,739	886,647
<i>Effects of:</i>		
Non deductible expenses	15,391	35,751
Capital allowances in excess of depreciation	(12,651)	(3,877)
(Over)/under provision from previous years	(26,926)	(1,136)
Impact of change of corporation tax rate	(127)	(103)
	<u>834,426</u>	<u>917,282</u>
Current tax charge per accounts		

# Bbay (Knightsbridge) Ltd

## Notes (continued)

(forming part of the financial statements for the year ended 31 December 2013)

### 4 Investment property

	2013 £	2012 £
<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	16,388,944	12,488,944
	<u>75,650,000</u>	<u>71,750,000</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 11 August 2013 by external valuer DTZ. 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.

### 5 Debtors and prepayments

	2013 £	2012 £
<b>Non-current assets</b>		
Due from property manager	3,625,528	3,621,181
Deposit	490,077	488,974
	<u>4,115,605</u>	<u>4,110,155</u>
<b>Current assets</b>		
Prepayment	-	97,172
Due from property manager	901,271	760,877
Trade debtors	94,870	1,022,703
	<u>996,141</u>	<u>1,880,752</u>

### 6 Creditors

	2013 £	2012 £
<b>Non-current liabilities</b>		
Due to tenants	3,621,181	3,621,181
<b>Current liabilities</b>		
Trade creditors	1,192,186	1,093,617
Deferred income	971,722	971,722
	<u>2,163,908</u>	<u>2,065,339</u>

# Bbay (Knightsbridge) Ltd

## Notes (continued)

(forming part of the financial statements for the year ended 31 December 2013)

### 7 Loans payable

	2013 £	2012 £
<b>Non-current liabilities</b>		
Bbay (Knightsbridge) Holdings Ltd (1) (note 11)	48,638,554	50,720,554
<b>Current liabilities</b>		
Bbay (Knightsbridge) Holdings Ltd (2) (note 11)	63,849	59,575
<b>Total Loans</b>	<b>48,702,403</b>	<b>50,780,129</b>

(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 £4,274 and repaid loans of £2,082,000 during the year.

### 8 Share capital

	2013 £	2012 £
<i>Authorised share capital</i>		
10,000 ordinary shares of £1	10,000	10,000
<i>Issued share capital</i>		
1 ordinary share of £1	1	1

### 9 Reserves

	Revaluation reserve £	Retained reserves £
At 1 January 2013	12,488,944	8,673,587
Movement for the year	3,900,000	2,829,242
At 31 December 2013	16,388,944	11,502,829

### 10 Statement of movements in equity shareholder's funds

	2013 £	2012 £
Brought forward	21,162,532	19,111,743
Property revaluation	3,900,000	(650,000)
Profit for year	2,829,242	2,700,789
At 31 December	27,891,774	21,162,532

# Bbay (Knightsbridge) Ltd

## Notes (continued)

*(forming part of the financial statements for the year ended 31 December 2013)*

### 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 Related party transactions

During the year, the Company received administration services from Standard Bank Offshore Trust Company Jersey Limited. Sara Crowther and Simon Grant were Directors of both Standard Bank Offshore Trust Company Jersey Limited and the Company. Fees paid to Standard Bank Offshore Trust Company Jersey Limited during the year amounted to £ 5,825 (2012: £5,363), of which £ Nil (2012: £2,594) is still outstanding at the year end.

### 13 Subsequent events

On 28 May 2014, the Company made a partial loan repayment of £1,100,000 to Bbay (Knightsbridge) Holdings Limited.

The Directors are not aware of any subsequent events which require disclosure in the financial statements.