

Registered number: 1207510

R. A. RACEY (GT. YARMOUTH) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011



R. A. RACEY (GT. YARMOUTH) LIMITED

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R. A. RACEY (GT. YARMOUTH) LIMITED

INDEPENDENT AUDITOR'S REPORT TO R. A. RACEY (GT. YARMOUTH) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, which comprise the abbreviated balance sheet and the related notes, together with the financial statements of R A Racey (GT Yarmouth) Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, as a body, in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the registrar of companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts are properly prepared in accordance with those provisions.

Other information

On we reported as auditors to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report was as follows:

"We have audited the financial statements of R A Racey (GT Yarmouth) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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, 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 Ethical Standards for Auditors.

R. A. RACEY (GT. YARMOUTH) LIMITED

INDEPENDENT AUDITOR'S REPORT TO R. A. RACEY (GT. YARMOUTH) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

Our opinion on the financial statements for the period ended 31 December 2010 was qualified in respect of an amount due from a company under common control of £238,995 which we considered was unlikely to be recoverable and should have been provided for. The effect on the prior year financial statements would have been an increase in net liabilities and shareholders' deficit of £238,995 and an increase in the loss for the year of the same amount. Our opinion on the current year financial statements is also qualified in this respect because of the effect of the matter on the opening shareholders' deficit and on the comparability of the current year results with those of the prior year. Our opinion on the current year financial statements is also modified in respect of an additional provision of £57,488 that we consider should be recognised in the current year resulting from an increase in amounts due from the same company. During the period, the amount of the net debt due from that company increased to £296,483 all of which we consider unlikely to be recoverable. The effect on the current year results would be an increase in administrative expenses of £57,488 and a reduction in the profit presented by the same amount. The total effect on the balance sheet of the current year would be an increase in net liabilities and shareholders' deficit of £296,483.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter - going concern

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. As at 31 December 2011 the company's current liabilities exceeded its total assets by £411,726 and it had net current liabilities of £116,726 and the company is therefore reliant upon its bankers offering a sufficient facility to meet its liabilities as they fall due. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. Our audit opinion is not modified in respect of this matter.

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.

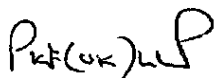
R. A. RACEY (GT. YARMOUTH) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO R. A. RACEY (GT. YARMOUTH) LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report "



Nicholas Buxton (Senior statutory auditor)
for and behalf of **PKF (UK) LLP**, Statutory auditor
Great Yarmouth, UK
27 September 2012

R. A RACEY (GT. YARMOUTH) LIMITED
REGISTERED NUMBER: 1207510

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Investment property	2		215,000		215,000
CURRENT ASSETS					
Stocks		34,717		137,750	
Debtors: amounts falling due after more than one year	3	108,394		209,925	
Debtors: amounts falling due within one year	3	4,312,003		4,366,352	
Cash at bank		29,073		348	
		<u>4,482,187</u>		<u>4,714,375</u>	
CREDITORS, amounts falling due within one year	4	<u>(4,598,913)</u>		<u>(4,918,714)</u>	
NET CURRENT LIABILITIES			<u>(116,726)</u>		<u>(204,339)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>98,274</u>		<u>10,681</u>
CREDITORS, amounts falling due after more than one year	5		<u>(510,000)</u>		<u>(510,000)</u>
NET LIABILITIES			<u><u>(411,726)</u></u>		<u><u>(499,339)</u></u>
CAPITAL AND RESERVES					
Called up share capital	6		600		600
Revaluation reserve			127,919		127,919
Profit and loss account			<u>(540,245)</u>		<u>(627,858)</u>
SHAREHOLDERS' DEFICIT			<u><u>(411,726)</u></u>		<u><u>(499,339)</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on *26th September 2012*.


Mr C S Racey
 Director

The notes on pages 5 to 7 form part of these financial statements

R. A. RACEY (GT. YARMOUTH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment properties, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Due to the existence of bank cross guarantees, secured assets and companies offering financial support, the directors believe the going concern position should be viewed on a basis which takes account of Stephar (U K) Limited, Howard and Palmer Limited, South Wales Specials Limited and Howard & Palmer (SA1) Limited, companies which the director, C S Racey, controls

These companies are dependent upon their bankers to meet their day to day working capital requirements through the provision of long term loans Meeting the repayment terms of the bank facilities is dependent upon the realisation of development stock and the generation of profits

Whilst the directors are confident that they will be able to realise the development sites held, the timing and valuation of these is uncertain due to the downturn in the property market The directors have also reviewed the trading status of the companies and have prepared profit forecasts to 31 December 2013, which assume an increase in revenue, to generate profits They believe that they have taken appropriate steps to generate this increase in revenue although it may take some time for these changes to flow through to working capital and therefore the timing of this is also uncertain The directors have prepared an annual cashflow and are monitoring cash on a daily basis

The company is therefore reliant upon its bankers offering a sufficient facility to meet its liabilities as they fall due The directors are confident that this support will be forthcoming There is however an inherent uncertainty in that the required level of support from the bankers cannot be guaranteed

The directors have concluded that a material uncertainty exists that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business However, given the continuing support of the bank, the directors continue to adopt the going concern basis of accounting

1.2 Income recognition

Turnover comprises revenue recognised by the company in respect of good supplied during the year, exclusive of Value Added Tax and trade discounts Revenue is recognised upon delivery

1.3 Investment properties

Investment properties are included in the Balance Sheet at their open market value in accordance with Financial Reporting Standard for Smaller Entities and are not depreciated This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company

1.4 Inventories

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

R. A. RACEY (GT. YARMOUTH) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES (continued)

1.5 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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

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

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2 INVESTMENT PROPERTY

	£
Valuation	
At 1 January 2011 and 31 December 2011	215,000
Comprising	
Cost	87,081
Annual revaluation surplus/(deficit) 2009	127,919
At 31 December 2011	215,000

The 2011 valuations were made by the directors, on an open market value for existing use basis

3. DEBTORS

Debtors include £106,394 (2010 - £209,925) falling due after more than one year

R. A. RACEY (GT. YARMOUTH) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

4 CREDITORS:

Amounts falling due within one year

Creditors of £220,607 (2010 - £229,997) are secured on the assets of the company

5 CREDITORS:

Amounts falling due after more than one year

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Repayable other than by instalments	<u>510,000</u>	<u>510,000</u>

6 SHARE CAPITAL

	2011 £	2010 £
Shares classified as capital		
Allotted, called up and fully paid		
600 Ordinary shares of £1 each	<u>600</u>	<u>600</u>
Shares classified as debt		
Allotted, called up and fully paid		
510,000 Preference shares of £1 each	<u>510,000</u>	<u>510,000</u>

The shares classified as financial liabilities are 13% cumulative, non-participating, non-redeemable preference shares, conferring upon the holders the following rights

- (i) The right to cumulative preferential dividends at a rate of 13% gross on the capital paid up thereon
- (ii) The right to winding up to a return on capital paid up thereon and any arrears of the said preferential dividend calculated down to the date of payment, but to no further or other rights to share in surplus assets
- (iii) The right to attend and vote at general meetings of the company, only in one of the following events
 - a) if the said preferential dividend shall be in arrears for more than 6 months and so that for this purpose only the same shall be deemed to fall due and be payable on 30 April and 31 October in each year or, b)
 - if any resolution or proposal in respect of such preference shares is to be put or discussed and then only on such resolution or proposal

7. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

Included within debtors due in less than one year is a loan of £425,577 (2010 - £839,698) to C S Racey, a director. The maximum amount owed by C S Racey during the year was £839,698 (2010 - £1,251,029). Capital repaid on the loan during the year was £435,080. Interest was charged on the loan of £20,959 (2010 - £38,521) at 3% over the Bank of England base rate.