

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 30 April 2014  
for  
Emerson International Limited

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for the Year Ended 30 April 2014

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Emerson International Limited  
Company Information  
for the Year Ended 30 April 2014

**DIRECTORS:**

P E Jones OBE  
Mrs A Jones  
M E Jones  
A E Jones

**SECRETARY:**

Ms A C Weatherby

**REGISTERED OFFICE:**

Emerson House  
Heyes Lane  
Alderley Edge  
Cheshire  
SK9 7LF

**REGISTERED NUMBER:**

01554950 (England and Wales)

**AUDITOR:**

BDO LLP  
Statutory Auditor  
3 Hardman Street  
Spinningfields  
Manchester - UK  
M3 3AT

Strategic Report  
for the Year Ended 30 April 2014

The directors present their strategic report for the year ended 30 April 2014.

**BUSINESS MODEL**

The principal activities of the company comprise that of an investment holding company.

The company is a wholly owned subsidiary of Emerson Developments (Holdings) Limited, the ultimate parent company of the Emerson Group. The Emerson Group is a family owned and run property investment and development business which manages and controls all group companies on a unified basis, trading under the Orbit Developments, Emerson Management Services and Jones Homes' brands.

**STRATEGY, OBJECTIVES AND PRINCIPAL RISKS**

The company's primary strategic objective is to act as the holding company for certain overseas investments of its parent company, Emerson Developments (Holdings) Limited.

The principal risks centre around exposure to movements in interest and foreign currency exchange rates. The directors routinely monitor such risks and take appropriate action as required to mitigate the impact of interest rate and foreign currency fluctuations on overseas investments.

**REVIEW OF THE YEAR**

The company reported a net loss for the year of £1,884,743 (2013: profit £735,005). The result for the year reflected the impact of foreign exchange losses arising on retranslation of loans to subsidiary undertakings (2013: profit).

The directors are not aware of any significant events since the balance sheet date affecting the company.

**FUTURE OUTLOOK**

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:**

Ms A C Weatherby - Secretary



17 October 2014

Report of the Directors  
for the Year Ended 30 April 2014

The directors present their report with the financial statements of the company for the year ended 30 April 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2014 (2013: £nil).

**DIRECTORS**

The Directors who served during the year were as follows:

P.E. Jones OBE (Chairman)  
Mrs A. Jones  
M.E. Jones  
A.E. Jones

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the strategic report, 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 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). 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

In so far as each of the Directors is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

In accordance with section 487 of the Companies Act 2006, BDO LLP, Registered Auditor, is deemed re-appointed as auditor for the succeeding year.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD BY::**

Ms A C Weatherby - Secretary



17 October 2014

Independent Auditor's Report to the Members of  
Emerson International Limited

We have audited the financial statements of Emerson International Limited for the year ended 30 April 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 30 April 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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.

**BDO LLP,**

Timothy Entwistle (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
Statutory Auditor  
Manchester - UK

20 October 2014

BDO LLP is a limited liability partnership registered in England and Wales (with  
registered number OC305127).

Profit and Loss Account  
for the Year Ended 30 April 2014

	Notes	2014 £	2013 £
<b>TURNOVER</b>		-	-
Administrative expenses		(2,283,133)	970,298
<b>OPERATING (LOSS)/PROFIT</b>	3	(2,283,133)	970,298
Interest receivable and similar income	4	700,107	746,389
		(1,583,026)	1,716,687
Interest payable and similar charges	5	(803,415)	(824,357)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,386,441)	892,330
Tax on (loss)/profit on ordinary activities	6	501,698	(157,325)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(1,884,743)	735,005

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

Statement of Total Recognised Gains and Losses  
for the Year Ended 30 April 2014

	2014 £	2013 £
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	(1,884,743)	735,005
Gain on revaluation of investments	7,406,344	2,149,215
Currency gain foreign equity investments	(3,882,576)	1,933,426
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>1,639,025</u>	<u>4,817,646</u>




Balance Sheet  
30 April 2014

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	7	1	1
Investments	8	59,066,009	53,695,185
		<u>59,066,010</u>	<u>53,695,186</u>
<b>CURRENT ASSETS</b>			
Debtors	9	47,966,641	51,200,269
<b>CREDITORS</b>			
Amounts falling due within one year	10	103,043,623	102,545,452
<b>NET CURRENT LIABILITIES</b>		<u>(55,076,982)</u>	<u>(51,345,183)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,989,028</u>	<u>2,350,003</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Revaluation reserve	13	7,002,926	(403,418)
Profit and loss account	13	(3,013,998)	2,753,321
<b>SHAREHOLDERS' FUNDS</b>	16	<u>3,989,028</u>	<u>2,350,003</u>

The financial statements were approved and authorised for issue by the Board of Directors on 17 October 2014 and were signed on its behalf by:

P E Jones OBE - Director



Notes to the Financial Statements  
for the Year Ended 30 April 2014

1. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The accounts are prepared under the historic cost convention, as modified by the revaluation of certain assets, and in accordance with applicable accounting standards. Consolidated accounts for the group have not been prepared as the company is entitled to the exemption conferred by Section 400 of the Companies Act 2006.

**Cash flow statement**

Advantage has been taken of the exemption in Financial Reporting Standard Number 1 from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation, which is provided at rates calculated to write off the cost of each asset less its residual value on a straight line basis using a rate of 15% per annum.

**Deferred taxation**

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, with the exception of capitalised interest where it is offset by the benefit of indexation allowance. Deferred tax is not provided on timing differences arising from the revaluation of investment properties or other tangible fixed assets where there is no commitment to sell the assets. Deferred tax assets are only recognised to the extent they are prudently considered recoverable, and are not discounted.

**Foreign currencies**

All assets and liabilities in foreign currencies have been translated into sterling at the rate of exchange ruling at 30 April 2014.

**Investments**

Investments in subsidiary undertakings are revalued annually and carried at an amount which reflects the underlying net asset value of the subsidiary undertaking at the balance sheet date.

Exchange gains and losses arising on the retranslation of the net assets of overseas subsidiaries and the company's share of profits and losses of each subsidiary undertaking are taken directly to reserves.

2. **DIRECTORS' EMOLUMENTS**

During the year the Directors neither received nor were due to receive any emoluments from the company (2013: £nil).

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

The operating loss (2013 - operating profit) is stated after charging/(crediting):

	2014 £	2013 £
Foreign exchange differences	<u>2,067,202</u>	<u>(1,231,663)</u>

The auditor's remuneration is borne by the ultimate parent company.

4. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2014 £	2013 £
Group interest receivable	<u>700,107</u>	<u>746,389</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2014

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest payable	472,415	499,357
Group interest payable	331,000	325,000
	<u>803,415</u>	<u>824,357</u>

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
Group relief - current year	(501,698)	157,325
Tax on (loss)/profit on ordinary activities	<u>(501,698)</u>	<u>157,325</u>

UK corporation tax has been charged at 22.84% (2013 - 23.92%).

Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
(Loss)/profit on ordinary activities before tax	<u>(2,386,441)</u>	<u>892,330</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.840% (2013 - 23.920%)	(545,063)	213,445
Effects of:		
Expenses not(taxable)/deductible for tax purposes	<u>43,365</u>	<u>(56,120)</u>
Current tax (credit)/charge	<u>(501,698)</u>	<u>157,325</u>

7. TANGIBLE FIXED ASSETS

	Motor vehicles
	£
<b>COST</b>	
At 1 May 2013	
and 30 April 2014	<u>3,629</u>
<b>DEPRECIATION</b>	
At 1 May 2013	
and 30 April 2014	<u>3,628</u>
<b>NET BOOK VALUE</b>	
At 30 April 2014	<u>1</u>
At 30 April 2013	<u>1</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2014

**8. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Loans to group undertakings £	Totals £
At 1 May 2013	5,106,123	48,589,062	53,695,185
Additions	-	1,847,056	1,847,056
Revaluations	7,406,344	-	7,406,344
Exchange movements	-	(3,882,576)	(3,882,576)
At 30 April 2014	12,512,467	46,553,542	59,066,009

Investments have been revalued at the year end to reflect the net asset value of the subsidiary undertakings concerned.

The wholly owned subsidiary companies are Emerson International Inc. and Rosewood Development Corporation, both registered in Florida U.S.A., Holidays Select Limited and Spacesolve Limited, both of which are incorporated in England, Woodblane Developments (Commercial) Limited which is incorporated in Scotland, and Vau Marketing Limited which is registered in the Isle of Man. The profit for the year after taxation attributable to members is £7,674,064 (2013: £2,968,675) and the aggregate profits to date are £14,621,590 (2013: £6,947,526).

Group accounts have not been prepared as the company is a wholly owned subsidiary of another.

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Amounts owed by group undertakings	47,916,666	51,115,158
Other debtors	5	5
Prepayments and accrued income	49,970	85,106
	<u>47,966,641</u>	<u>51,200,269</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Bank loans and overdrafts (see note 11)	37,180,862	38,038,731
Amounts owed to group undertakings	65,812,791	64,421,615
Accruals and deferred income	49,970	85,106
	<u>103,043,623</u>	<u>102,545,452</u>

**11. BANK LOANS AND OVERDRAFTS**

An analysis of the maturity of bank loans and overdrafts is given below:

	2014 £	2013 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>37,180,862</u>	<u>38,038,731</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2014

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

13. **RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 May 2013	2,753,321	(403,418)	2,349,903
Deficit for the year	(1,884,743)	-	(1,884,743)
Revaluation increase/(deficit)	-	7,406,344	7,406,344
Currency fluctuation movements	(3,882,576)	-	(3,882,576)
At 30 April 2014	<u>(3,013,998)</u>	<u>7,002,926</u>	<u>3,988,928</u>

14. **ULTIMATE PARENT COMPANY**

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England.

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff.

15. **RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption conferred on 100% subsidiaries by Financial Reporting Standard 8, in relation to transactions with Group companies.

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
(Loss)/profit for the financial year	(1,884,743)	735,005
Other recognised gains and losses relating to the year (net)	<u>3,523,768</u>	<u>4,082,641</u>
<b>Net addition to shareholders' funds</b>	<u>1,639,025</u>	<u>4,817,646</u>
Opening shareholders' funds	<u>2,350,003</u>	<u>(2,467,643)</u>
<b>Closing shareholders' funds</b>	<u><u>3,989,028</u></u>	<u><u>2,350,003</u></u>