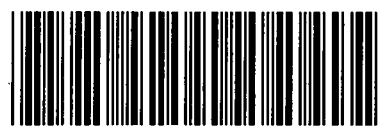


Stepstone Limited

**Annual report and financial
statements**

**Registered number 03840949
For the year ended 31 March 2014**

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Strategic report

Business review

The directors are satisfied with the results for the year and are optimistic about the future prospects of the company.

The loss for the year after taxation was £20,195 (2013: £431,830). The net liabilities of the company at the year end were £1,174,988 (2013: £1,154,793).

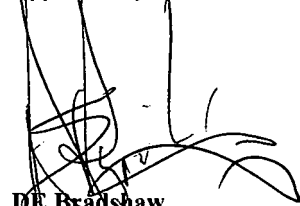
The directors do not propose the payment of a dividend (2013: £Nil).

The directors manage each development on an individual basis. Maximising returns and minimising risks are the key performance measures for the business. The company's directors believe that any further performance indicators are not necessary or appropriate for an understanding of the performance or position of the business.

Principal risks and uncertainties

One of the key risks in property trading and development is the speed in which market conditions can change. To manage this risk, the directors strive to only buy and/or develop an interest in properties that are in high demand. They also closely monitor costs and charges in the market such that action can be taken quickly if necessary.

Approved by the board of directors on 22 December 2014 and signed on its behalf by:



DE Bradshaw
Director

Directors' report

The directors present their annual report and the financial statements for the year ended 31 March 2014.

Principal activities

The principal activity of the company is that of property development.

Directors

The directors who held office during the year were as follows:

DG Bradshaw
KG Bradshaw
DE Bradshaw

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

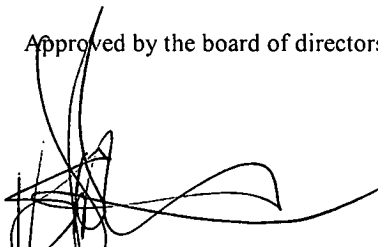
Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

Approved by the board of directors on 22 December 2014 and signed on its behalf by:



DE Bradshaw
Director

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

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 they have elected to prepare the 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 judgments 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 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.



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Stepstone Limited

We have audited the financial statements of Stepstone Limited for the year ended 31 March 2014 set out on pages 6 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 auditor

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Stepstone Limited *(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.



Simon Purkess (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

22 December 2014

Profit and loss account
for the year ended 31 March 2014

	<i>Note</i>	2014 £	2013 £
Revenue		-	875,000
Cost of sales		-	(1,230,416)
		<hr/>	<hr/>
Gross loss		-	(355,416)
Other operating income	2	-	18,101
Administrative expenses		(5,533)	(119,217)
		<hr/>	<hr/>
Operating loss		(5,533)	(456,532)
Interest payable and similar charges	4	(85,874)	(109,929)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	(91,407)	(566,461)
Tax on loss on ordinary activities	5	71,212	134,631
		<hr/>	<hr/>
Loss for the financial year	9	(20,195)	(431,830)
		<hr/>	<hr/>

There were no recognised gains or losses in the current or preceding year other than those disclosed in the profit and loss account.

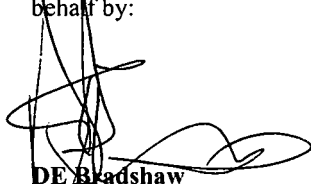
All amounts relate to continuing operations.

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

Balance sheet
at 31 March 2014

	<i>Note</i>	2014 £	2013 £
Current assets			
Debtors	6	3,289	3,289
Creditors: Amounts falling due within one year	7	(1,178,277)	(1,158,082)
		<hr/>	<hr/>
Net current liabilities, being net liabilities		(1,174,988)	(1,154,793)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	(1,175,088)	(1,154,893)
		<hr/>	<hr/>
Shareholders' deficit	10	(1,174,988)	(1,154,793)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 22 December 2014 and were signed on its behalf by:


DE Bradshaw
Director

Company number: 03840949

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

As the company is a wholly owned subsidiary of Nurton Developments Limited, the company has taken advantage of the exemption contained in FRS 8 and has, therefore, not disclosed transactions or balances with entities that are wholly owned by the group.

Due to the nature of the company's business, the directors do not believe that the company has different classes of business as defined in SSAP 25. Accordingly, the additional disclosures set out in SSAP 25 are not considered to be required.

The consolidated financial statements of Nurton Developments Limited, within which this company is included, can be obtained from the address given in note 11.

The financial statements have been prepared on the going concern basis which the directors believe is appropriate for the following reasons:

The company's business activities, together with the factors likely to affect its future development and position, are set out in the directors' report on page 1.

The directors, having assessed the responses of the directors of the company's parent Nurton Developments Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Nurton Developments group to continue as a going concern or its ability to continue with the current banking arrangements.

Nurton Developments Limited, the company's ultimate parent company, has confirmed that it will continue to provide financial support to the company if needed. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Nurton Developments Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Stocks

Freehold properties held for development are carried in the financial statements as stock in trade and valued at the lower of cost and market value. The directors do not consider them to be investment properties as they are held for development.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Notes to the profit and loss account

	2014 £	2013 £
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Rents receivable in respect of operating leases and service charge income	-	(18,101)
<i>Auditor's remuneration:</i>		
Audit of these financial statements	<u>3,589</u>	<u>3,451</u>

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Nurton Developments Limited.

3 Directors' emoluments, staff numbers and costs

Other than the directors, the company had no employees (2013: Nil).

The directors received no emoluments for their services (2013: £Nil).

4 Interest payable and similar charges

	2014 £	2013 £
Bank interest	-	86,828
Interest on loans from group undertakings	<u>85,874</u>	<u>23,101</u>
	<u>85,874</u>	<u>109,929</u>

Notes (continued)

5 Tax on loss on ordinary activities

(i) Analysis of credit for the year

	2014 £	2013 £
<i>UK corporation tax</i>		
Current tax on loss for the financial year	-	(134,631)
Adjustment in respect of prior periods	(71,212)	-
	<u>(71,212)</u>	<u>(134,631)</u>
Tax credit on loss on ordinary activities	(71,212)	(134,631)

(ii) Factors affecting the tax credit for the year

The current tax credit for the year is higher (2013: lower) than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £	2013 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(91,407)	(566,461)
	<u>(91,407)</u>	<u>(566,461)</u>
Current tax at 23% (2013: 24%)	(21,024)	(135,951)
	<u>(21,024)</u>	<u>(135,951)</u>
<i>Effects of</i>		
Increase in losses carried forward	21,024	1,320
Adjustment in respect of prior periods	(71,212)	-
	<u>(50,188)</u>	<u>1,320</u>
Total current tax credit (see above)	(71,212)	(134,631)

There is an unrecognised deferred tax asset of £38,609 (2013: £23,561) in relation to gross tax losses of £193,046 (2013: £102,438).

This will be relievable against future trading profits of the same trade.

(iii) Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

6 Debtors

	2014 £	2013 £
Other debtors	3,289	3,289

Notes (continued)

7 Creditors: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	1,175,327	1,154,131
Accruals and deferred income	2,950	3,951
	<u>1,178,277</u>	<u>1,158,082</u>

8 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Reserves

	Profit and loss account £
At beginning of year	(1,154,893)
Loss for the year	(20,195)
	<u>(1,175,088)</u>
At end of year	<u>(1,175,088)</u>

10 Reconciliation of movements in shareholders' deficit

	2014 £	2013 £
Loss for the year	(20,195)	(431,830)
Opening shareholders' deficit	(1,154,793)	(722,963)
	<u>(1,174,988)</u>	<u>(1,154,793)</u>
Closing shareholders' deficit	<u>(1,174,988)</u>	<u>(1,154,793)</u>

11 Ultimate parent company and parent undertaking of the largest group of which the company is a member

The company is a subsidiary undertaking of Nurton Developments Limited which is the ultimate parent company incorporated in Great Britain.

The largest group in which the results of the company are consolidated is that headed by Nurton Developments Limited, incorporated in Great Britain. No other group financial statements include the results of the company. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.