

Registration number 04330671

Highstone Group Limited
Abbreviated accounts
for the year ended 31 March 2012

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Highstone Group Limited

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**Independent auditors' report to Highstone Group Limited
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Highstone Group Limited for the year ended 31 March 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, 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 to it in a special 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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

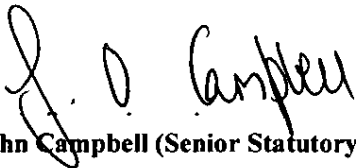
The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 have been properly prepared in accordance with those provisions.


John Campbell (Senior Statutory Auditor)
For and on behalf of DSC Accountants Ltd
Chartered Accountants and
Statutory Auditors

19 December 2012

Tattersall House
East Parade
Harrogate
HG1 5LT

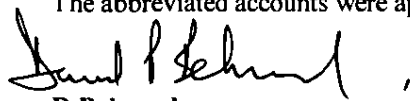
Highstone Group Limited

Abbreviated balance sheet as at 31 March 2012

| | | 2012 | 2011 |
|---|-------|---------------|---------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Investments | 2 | 3,108,251 | 3,108,251 |
| Current assets | | | |
| Debtors | | 16,705,428 | 20,540,476 |
| Investments | | 366,522,436 | 560,120,437 |
| Cash at bank and in hand | | 45,222,781 | 13,230,565 |
| | | 428,450,645 | 593,891,478 |
| Creditors: amounts falling due within one year | | (233,579,934) | (416,647,735) |
| Net current assets | | 194,870,711 | 177,243,743 |
| Total assets less current liabilities | | 197,978,962 | 180,351,994 |
| Net assets | | 197,978,962 | 180,351,994 |
| Capital and reserves | | | |
| Called up share capital | 3 | 20,000 | 20,000 |
| Profit and loss account | | 197,958,962 | 180,331,994 |
| Shareholders' funds | | 197,978,962 | 180,351,994 |

These abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies

The abbreviated accounts were approved by the Board on 19 December 2012 and signed on its behalf by



D Belward
Director

Registration number 04330671

The notes on pages 3 to 5 form an integral part of these financial statements.

Highstone Group Limited

Notes to the abbreviated financial statements for the year ended 31 March 2012

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceeding year.

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Current asset investments are at the lower of cost and net realisable value.

1.3. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

For Self Invested Personal Pension contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.4. Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets.

Deferred tax is measured on a non-discounted basis.

1.5. Group accounts

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Highstone Group Limited

Notes to the abbreviated financial statements for the year ended 31 March 2012

continued

2. Fixed assets

| | Investments £ | Total £ |
|------------------------|------------------|------------------|
| Cost | | |
| At 1 April 2011 | 3,108,251 | 3,108,251 |
| At 31 March 2012 | <u>3,108,251</u> | <u>3,108,251</u> |
| Net book values | | |
| At 31 March 2012 | <u>3,108,251</u> | <u>3,108,251</u> |
| At 31 March 2011 | <u>3,108,251</u> | <u>3,108,251</u> |

2.1. Investment details

| | 2012 £ | 2011 £ |
|------------------------|------------------|------------------|
| Subsidiary undertaking | <u>3,108,251</u> | <u>3,108,251</u> |

Highstone Group Limited

Notes to the abbreviated financial statements for the year ended 31 March 2012

continued

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

| Company | Nature of Nature of business | Country of registration or incorporation | Shares held Class | % |
|---|--|--|----------------------|---|
| Subsidiary undertaking | | | | |
| Highstone Estates (Harrogate) Limited | Property development and investment | | | |
| Highstone Estates (City Square) Limited | Property investment and the operation of high quality managed apartments | | | |
| Highstone Estates (Kidderminster) Limited | Property and related investments | | | |
| Highstone Estates (Harrogate) Limited | Great Britain | Ordinary | 100% | |
| Highstone Estates (City Square) Limited | Great Britain | Ordinary | 100% | |
| Highstone Estates (Kidderminster) Limited | Great Britain | Ordinary | 100% | |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

| | Capital and reserves £ | Profit for the year £ |
|---|---------------------------|--------------------------|
| Highstone Estates (Harrogate) Limited | 57,713,108 | (158,316) |
| Highstone Estates (City Square) Limited | 1,840,487 | 42,604 |
| Highstone Estates (Kidderminster) Limited | 44,806,399 | - |

| 3. Share capital | 2012 £ | 2011 £ |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| 20,000 Ordinary shares of £1 each | <u>20,000</u> | <u>20,000</u> |
| Equity Shares | | |
| 20,000 Ordinary shares of £1 each | <u>20,000</u> | <u>20,000</u> |