

Stripemicro Limited

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**Stripemicro Limited**

**Report and Financial Statements**

**For the year ended 30 September 2008**

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Stripemicro Limited

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**Company information**

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<b>Directors</b>	M B Owen J A Emery D I Wadsworth A R Lovelady
<b>Secretary</b>	A R Lovelady
<b>Company number</b>	4733405
<b>Registered office</b>	North House 17 North John Street Liverpool L2 5EA
<b>Auditors</b>	Ernst & Young LLP Registered auditor 20 Chapel Street Liverpool L3 9AG

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**Directors' Report**  
**For the year ended 30 September 2008**

The directors present their report and the financial statements for the year ended 30 September 2008.

**Principal activities**

The principal activity of the company during the year was property development in the United Kingdom.

**Directors**

The directors who served during the year were:

M B Owen  
J A Emery  
D I Wadsworth  
A R Lovelady

**Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

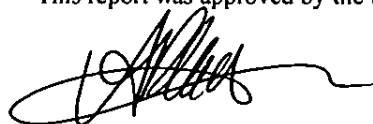
- ☐ so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- ☐ each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on

**21 JAN 2010**

and signed on its behalf.



**A R Lovelady**  
Director

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**Statement of directors' responsibilities  
for the year ended 30 September 2008**

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The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the surplus or deficit 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;
- ☐ 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 proper accounting records that 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 1985. 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.

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## **Independent Auditors' report to the members of Stripemicro Limited**

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We have audited the company's financial statements for the year ended 30 September 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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## Independent Auditors' report to the members of Stripemicro Limited

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### Opinion

In our opinion:

- ☐ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2008 and of its loss for the year then ended;
- ☐ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ☐ the information given in the directors' report is consistent with the financial statements.

### Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss during the year ended 30 September 2008 and, at that date, the company's current liabilities exceeded its total assets. These conditions, along with the other matters explained in note 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.

  
**Ernst & Young LLP**  
Registered auditor  
Liverpool  
Date: 22/1/10

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**Profit and loss account  
for the year ended 30 September 2008**


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	<i>Note</i>	<i>2008 £000</i>	<i>2007 £000</i>
<b>Turnover</b>	1	608	5
Cost of sales		(554)	(3)
Deficit on dealing and development property		(66)	-
Total cost of sales		(620)	(3)
<b>Gross (loss)/profit</b>		(12)	2
Administrative expenses		(5)	(4)
<b>Operating loss</b>	2	(17)	(2)
Interest payable		(118)	(15)
<b>Loss on ordinary activities before taxation</b>		(135)	(17)
Tax on loss on ordinary activities	3	-	-
<b>Loss on ordinary activities after taxation</b>	9	(135)	(17)

The notes on pages 7 to 10 form part of these financial statements.

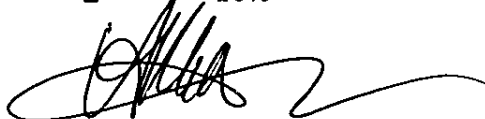
**Balance sheet**  
**as at 30 September 2008**

	<i>Note</i>	<i>£000</i>	<i>2008 £000</i>	<i>2007 £000</i>
<b>Current assets</b>				
Stocks	4	2,030	1,430	
Debtors	5	15	6	
Cash at bank		36	-	
		<u>2,081</u>	<u>1,436</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,168)</u>	<u>(960)</u>	
<b>Net current assets</b>			<u>913</u>	<u>476</u>
<b>Total assets less current liabilities</b>			<u>913</u>	<u>476</u>
<b>Creditors: amounts falling due after more than one year</b>	7	<u>(1,091)</u>	<u>(519)</u>	
<b>Net liabilities</b>		<u>(178)</u>	<u>(43)</u>	
<b>Capital and Reserves</b>				
Called up share capital	8	1	1	
Profit and loss account	9	<u>(179)</u>	<u>(44)</u>	
<b>Shareholders' deficit</b>		<u>(178)</u>	<u>(43)</u>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21 JAN 2010



A R Lovelady  
Director

The notes on pages 7 to 10 form part of these financial statements.



## **Notes to the financial statements**

### **For the year ended 30 September 2008**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

##### **1.2 Going concern**

The financial statements to 30 September 2008 show a loss and a deficit on shareholders' funds. The current economic environment continues to create material uncertainties over market values of properties and availability of financing facilities.

In the opinion of the directors, the company's asset base will provide an income stream into the foreseeable future.

The company is dependent upon support of Emery Farm Estates Limited, the Ethel Austin Investments Limited Group and the Ethel Austin Properties Holdings Group ("the related parties"). Interest on the loan from the related parties is currently being added to the principal and thus has no effect on cash outflow.

The related parties provide support in the form of amounts advanced, working capital and deferral of interest on the loan principal. The related parties have agreed not to recall the amounts advanced to the company as set out above, nor demand payment of interest accruing on those amounts, until all other creditors have been met provided that the company otherwise continues as a going concern and to provide sufficient funds to the company for these purposes.

This continued support relies on satisfactory conclusion to negotiations on renewal of banking facilities provided to certain of the related parties by their banks which, at the date of signing these financial statements, are not completed.

The company's bank loan facility expires within twelve months of the approval of the financial statements. The directors believe that there is a realistic prospect that this facility will be renewed. However if the terms of renewal offered by the bank are detrimental to the company's long term prospects, the company will not have sufficient financing facilities to enable it to continue as a going concern.

As a result of the above, there is a material uncertainty which casts significant doubt on the ability of the company to continue as a going concern. The directors, after considering the uncertainties and conditions described above, believe that the company has adequate resources to continue to operate for the foreseeable future provided it retains the support of its bank and the related parties.

For these reasons the directors consider it appropriate to prepare the financial statements on the going concern basis and therefore have not included any adjustments that would result if the company was unable to continue as a going concern.

##### **1.3 Turnover**

Turnover represents completed property sales and gross rents and charges receivable and arises from the continuing activity of property dealing and development in the United Kingdom.

## Notes to the financial statements

### For the year ended 30 September 2008

#### 1. Accounting policies (continued)

##### 1.4 Stocks and work in progress

Stocks, which comprise dealing and development property interests, are stated at the lower of cost and net realisable value.

Costs represents all costs incurred in purchasing and developing property.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

##### 1.5 Deferred taxation

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 have occurred at that date that will result in an obligation to pay tax in the future.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 2. Operating loss

The operating loss is stated after charging:

	2008 £000	2007 £000
Auditors' remuneration	1	1
Exceptional cost of sales	66	-
	<u>67</u>	<u>1</u>

During the year, no director received any emoluments (2007 - £NIL).

#### 3. Taxation

There is no liability based on the results for the year.

##### *Factors that may affect future tax charges*

No deferred tax asset has been recognised for tax relief available of £34,000 (2007: £8,000) in respect of losses carried forward.

**Notes to the financial statements**  
For the year ended 30 September 2008

**4. Stocks**

	2008 £000	2007 £000
Dealing and development property interests	2,030	1,430

**5. Debtors**

	2008 £000	2007 £000
Trade debtors	8	6
Other debtors	7	-
	15	6

**6. Creditors:  
Amounts falling due within one year**

	2008 £000	2007 £000
Bank loans and overdrafts	1,126	-
Trade creditors	32	6
Other creditors	10	954
	1,168	960

**7. Creditors:  
Amounts falling due after more than one year**

	2008 £000	2007 £000
Amounts owed to related undertakings	1,091	519

The loans of £1,091,000 (2007:£ 519,000) fall due within one to two years.

**8. Share capital**

	2008 £000	2007 £000
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1	1

The authorised, allotted called up and fully paid ordinary share capital above comprises 500 'A' ordinary shares and

## Notes to the financial statements

For the year ended 30 September 2008

### 8. Share capital (continued)

500 'B' ordinary shares. The 'A' and 'B' shares have equal rights.

### 9. Reserves

	<i>Profit and loss account £000</i>
At 1 October 2007	(44)
Loss for the year	(135)
At 30 September 2008	<u>(179)</u>

### 10. Post balance sheet events

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### 11. Related party transactions

M B Owen and A R Lovelady are directors of Ethel Austin Properties Holdings Limited and M B Owen is a director of Ethel Austin Chester Limited. J A Emery and D I Wadsworth are directors of Emery Farm Estates Limited.

At 30 September 2008, there were amounts due to Ethel Austin Properties Holdings Limited, Ethel Austin Chester Limited and Emery Farm Estates Limited of £636,000 (2007: £222,000), £97,000 (2007: £97,000) and £260,000 (2007: £200,000) respectively. Interest paid in respect of these loans amounted to £42,000 (2007: £15,000).