

*Coblee*

Company Registration No. 4872171 (England and Wales)

**HEATPOINT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**



# HEATPOINT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S S Conway D E Conway
<b>Secretary</b>	A W Porter
<b>Company number</b>	4872171
<b>Registered office</b>	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS
<b>Auditors</b>	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
<b>Business address</b>	PO Box 206 Loughton Essex IG10 1PL
<b>Bankers</b>	Bank of Scotland Gordon Street Glasgow Scotland G1 3RS
<b>Solicitors</b>	Howard Kennedy 19 Cavendish Square London W1A 2AW

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# HEATPOINT LIMITED

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# **HEATPOINT LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2012***

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The directors present their report and financial statements for the year ended 31 March 2012

#### **Principal activities**

The principal activity of the company is that of an investment company

#### **Directors**

The following directors have held office since 1 April 2011

S S Conway

D E Conway

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the 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,
- 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 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.

# HEATPOINT LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

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#### Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and,

(b) they have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

(c) BDO LLP have expressed their willingness to continue in the office Under the Companies Act 2006 section 487(2) they will be automatically re-appointed 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the board



A W Porter  
Secretary

27 September 2012

# **HEATPOINT LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF HEATPOINT LIMITED**

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We have audited the financial statements of Heatpoint Limited for the year ended 31 March 2012 set out on pages 5 to 11. 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 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**

As explained more fully in the statement of directors' responsibilities, the company's 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 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 2012 and of its profit 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.

#### **Emphasis of matter - going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company's current loan facility of £12,050,000 is due to expire on 15 April 2013. The directors have been informed that the loan facility will not be renewed and are currently in discussions with other banks to obtain a new facility on similar terms, subject to the provision of further equity by the company's shareholders. Although the directors are confident of obtaining a new facility on similar terms they have no binding agreement with the potential banks involved. These conditions 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 adjustments that would result if the company was unable to continue as a going concern.

#### **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.

# HEATPOINT LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF HEATPOINT LIMITED

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#### 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 and the directors' report in accordance with the small companies regime

BDO LLP

Thomas Edward Goodworth (Senior Statutory Auditor)  
for and on behalf of BDO LLP

27/09/12

Statutory Auditor

55 Baker Street  
London  
United Kingdom  
W1U 7EU

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

# HEATPOINT LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £
Administrative expenses		(635)	(640)
Other operating income		17,954	-
<b>Operating profit/(loss)</b>	<b>2</b>	<b>17,319</b>	<b>(640)</b>
Release of previous years' provisions	<b>6</b>	1,129,917	-
<b>Profit/(loss) on ordinary activities before interest</b>		<b>1,147,236</b>	<b>(640)</b>
Other interest receivable and similar income	<b>3</b>	1,295,958	1,210,946
Interest payable and similar charges	<b>4</b>	(550,078)	(1,110,059)
<b>Profit on ordinary activities before taxation</b>		<b>1,893,116</b>	<b>100,247</b>
Tax on profit on ordinary activities	<b>5</b>	(159,522)	-
<b>Profit on ordinary activities after taxation</b>	<b>12</b>	<b>1,733,594</b>	<b>100,247</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations  
There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 11 form part of these financial statements



# HEATPOINT LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2012

Company Registration No. 4872171	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Investments	6		1,629,427		499,510
<b>Current assets</b>					
Debtors	8	19,799,381		18,504,095	
Cash at bank and in hand		117,498		40,154	
		19,916,879		18,544,249	
<b>Creditors: amounts falling due within one year</b>	9	(11,514,358)		(9,814,405)	
<b>Net current assets</b>			8,402,521		8,729,844
<b>Total assets less current liabilities</b>			10,031,948		9,229,354
<b>Creditors: amounts falling due after more than one year</b>	10		(10,912,000)		(11,843,000)
			(880,052)		(2,613,646)
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Profit and loss account	12		(880,054)		(2,613,648)
<b>Shareholders' deficit</b>			(880,052)		(2,613,646)

The notes on pages 7 to 11 form part of these financial statements

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 27 September 2012

S S Conway  
Director

# HEATPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2012

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

##### Going Concern

The company's current loan facility of £12,050,000 is due to expire on 15 April 2013. The directors have been informed that the loan facility will not be renewed and are currently in discussions with other banks to obtain a new facility on similar terms, subject to the provision of further equity by the company's shareholders. Although the directors are confident the investors will provide fresh equity and of obtaining a new facility on similar terms they have neither binding agreement with the potential banks involved nor the shareholders and hence it is appropriate for the financial statements to be prepared on a going concern basis. However, the ability of the company to continue as a going concern depends on the successful conclusion of the financing offers under discussion and the negotiation of appropriate financing as required thereafter. These conditions indicate that there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors, in their consideration of going concern, have reviewed the company's future cash forecasts and revenue projections, which they believe are based on prudent market data and past experience and believe, based on those forecasts and projections and the continued support of the bank involved, that it is appropriate to prepare the financial statements on a going concern basis. These financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

##### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### 1.3 Turnover

Turnover comprises amounts receivable from the sale of developed units being amounts received on legal completion.

##### 1.4 Investments

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

##### 1.5 Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 1.6 Other operating income

Other operating income comprises the provision made for additional consideration that is no longer required.

#### 2 Operating profit/(loss)

	2012	2011
	£	£
Operating profit/(loss) is stated after charging		
Auditors' remuneration (including expenses and benefits in kind)	500	500

# HEATPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

<b>3</b>	<b>Investment income</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Bank interest	671	398
	Other interest	1,295,287	1,210,548
		<u>1,295,958</u>	<u>1,210,946</u>
<b>4</b>	<b>Interest payable</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	481,078	1,041,059
	Other interest	69,000	69,000
		<u>550,078</u>	<u>1,110,059</u>
<b>5</b>	<b>Taxation</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	159,522	-
	<b>Total current tax</b>	<u>159,522</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,893,116</u>	<u>100,247</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	492,210	28,069
	Income not subject to corporation tax	(293,778)	-
	Group losses relieved	<u>(38,910)</u>	<u>(28,069)</u>
	<b>Current tax charge for the year</b>	<u>159,522</u>	<u>-</u>

# HEATPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 6 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 April 2011 and at 31 March 2012	3,426,777
<b>Provisions for diminution in value</b>	
At 1 April 2011	(2,927,267)
Release of previous years' provision	1,129,917
At 31 March 2012	(1,797,350)
<b>Net book value</b>	
At 31 March 2012	1,629,427
At 31 March 2011	499,510

### 7 Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Calverley Court Limited	Jersey	Ordinary	100.00

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 2012 £	Loss for the year 2012 £
Calverley Court Limited	Principal activity Property Development	1,629,427	(149,653)

# HEATPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

8 Debtors	2012 £	2011 £
Amounts due from group undertakings	19,799,381	18,504,095

All amounts fall due for payment within one year

9 Creditors amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts (secured)	1,069,000	1,069,000
Amounts owed to group undertakings	10,254,405	8,697,616
Corporation tax	159,522	-
Other creditors	-	17,954
Accruals and deferred income	31,431	29,835
	11,514,358	9,814,405

The bank loans are shown net of issue costs of £69,000 (2011 - £138,000) These amounts are amortised over the term of the loan in accordance with FRS 4 'Capital Instruments'

10 Creditors: amounts falling due after more than one year	2012 £	2011 £
Bank loans (secured)	10,912,000	11,843,000
<b>Analysis of loans</b>		
Wholly repayable within five years	11,981,000	12,912,000
Included in current liabilities	(1,069,000)	(1,069,000)
	10,912,000	11,843,000

11 Share capital	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	2	2

# HEATPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

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#### 12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2011	(2,613,648)
Profit for the year	1,733,594
	<hr/>
Balance at 31 March 2012	(880,054)
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#### 13 Control

There is no controlling party

#### 14 Related party transactions

As at 31 March 2012, £10,254,406 (2011 - £8,697,616) was due to Galliard Homes Limited who are a 50% shareholder in the company S Conway who is a director of the company is also a director of Galliard Homes Limited

As at 31 March 2012, £19,799,381 (2011 - £18,504,095) was due from the company's subsidiary undertaking, Calverley Court Limited Interest amounting to £1,295,287 (2011 - £1,210,548) has been charged to the subsidiary on this loan