

# Hawkesbury Properties Limited

## FINANCIAL STATEMENTS

for the year ended

30 June 2008

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# Hawkesbury Properties Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

Mr RJW Lloyd  
Mr K B Mather  
Mr E V Jenner  
Mr G T Lingard

### SECRETARY

Mr P N Middlehurst (resigned 10 August 2007, appointed 18 November 2008)  
Mr H J Jones (appointed 10 August 2007, resigned 10 November 2008)

### REGISTERED OFFICE

Haycroft Farm  
Peckforton Hall Lane  
Spurstow  
Tarporey  
Cheshire  
CW6 9TF

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
Steam Mill  
Steam Mill Street  
Chester  
CH3 5AN

### BANKERS

Alliance & Leicester Commercial Bank  
298 Deansgate  
Manchester  
M3 4HH

### TAX ADVISERS

KPMG LLP  
8 Princes Parade  
Liverpool  
L3 1QH

# Hawkesbury Properties Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Hawkesbury Properties Limited for the year to 30 June 2008.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the development and sale of real estate.

### DIRECTORS

The following directors have held office during the period to 30 June 2008:-

RJW Lloyd  
KB Mather  
EV Jenner  
GT Lingard

### DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year. Under the 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 affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

### AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part of VII of the Companies Act 1985.

By order of the board

Mr RJW Lloyd  
Director

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# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWKESBURY PROPERTIES LIMITED

We have audited the financial statements, which comprise the Profit & Loss Account, the Balance Sheet, and the related notes.

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 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 applicable to small companies. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 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 judgements 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.

## **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice for small companies, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies; 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 the accounting policies note on page 6 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £306,157 during the year ended 30 June 2008 and, at that date, the company's current liabilities exceeded its total assets by £320,329. These conditions, along with the matters explained in the note 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.

*Baker Tilly UK Audit LLP*  
BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

Steam Mill, Steam Mill Street

Chester CH3 5AN

*1 September 2009*

# Hawkesbury Properties Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2008

	Notes	Year to 30 Jun 08 £	Period from 24 Apr 06 to 30 Jun 07 £
TURNOVER		-	-
Cost of sales		-	-
Exceptional stock write down		(300,000)	-
GROSS LOSS		(300,000)	-
Administrative expenses		(6,924)	(14,371)
OPERATING LOSS	1	(306,924)	(14,371)
Interest receivable		767	226
Interest payable and similar charges		-	(29)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(306,157)	(14,174)
Taxation		-	-
(LOSS) FOR THE FINANCIAL PERIOD		(306,157)	(14,174)

The operating loss for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# Hawkesbury Properties Limited

## BALANCE SHEET

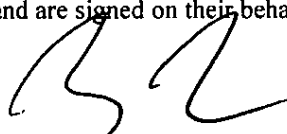
30 June 2008

	Notes	30 Jun 08 £	30 Jun 07 £
CURRENT ASSETS			
Stock	3	2,733,459	1,346,080
Debtors	4	117,402	46,604
Cash at bank and in hand		22,676	1,997
		<u>2,873,537</u>	<u>1,394,681</u>
CREDITORS			
Amounts falling due within one year	5	3,193,866	1,408,853
NET CURRENT LIABILITIES		<u>(320,329)</u>	<u>(14,172)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(320,329)</u>	<u>(14,172)</u>
CAPITAL AND RESERVES			
Called up equity share capital	7	2	2
Profit and loss account	8	(320,331)	(14,174)
SHAREHOLDERS' DEFICIT	9	<u>(320,329)</u>	<u>(14,172)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

The financial statements on pages 4 to 10 were approved by the board of directors and authorised for issue on ..... and are signed on their behalf by:

Mr RJW Lloyd  
Director



# Hawkesbury Properties Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention. Accounting policies are consistently applied and are in accordance with applicable accounting standards and generally accepted accounting practice in the United Kingdom.

### GOING CONCERN

The financial statements are prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The company meets its day to day working capital requirements through a bank loan together with loans from associated companies. The directors are satisfied that the Company is a going concern based on the continued support of its associated companies and its bankers.

Hawkesbury Properties Limited has a loan facility which is due to expire in October 2009. Based on positive negotiations with the related banker the board is satisfied that this facility will be renewed.

However, should this facility not be renewed prior to the sale of the related asset, and in the absence of alternative funding sources, the company would be required to dispose of assets to realise cash to pay its debts as they fall due. Given current market conditions there is a risk that the assets would take an extended period to realise cash which might also be less than their book values. As a result, should the Company be unable to repay their bank borrowing from asset sales or the refinancing of existing assets, a material uncertainty exists which casts doubt over the Company's ability to continue as a going concern.

However, on the basis of the continuing support of our bankers and our associated undertakings, the directors expect that the Company will generate sufficient funds to meet its debts as they fall due for at least the next 12 months.

### CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Costs include, where appropriate, attributable overheads and financing. The cost of properties in the course of development includes attributable loan interest and other outgoings having regard to the development potential of the property. Interest is calculated on the development expenditure by reference to specific borrowings and is capitalised until the date the asset is ready for sale. Capitalisation of interest will cease should there be a material pause in work being carried out on an asset between the date of the granting of detailed planning permission and the date the asset is ready for sale.

### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# Hawkesbury Properties Limited

## ACCOUNTING POLICIES

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### 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 more, or a right to pay less or received more, tax, with the following exception:

- 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.

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 on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse based on tax rates and laws substantively enacted at the balance sheet date.



# Hawkesbury Properties Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the period to 30 June 2008

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### 1 OPERATING LOSS

Operating loss is stated after charging:

	Year to 30 Jun 08	Period ended 30 Jun 07
	£	£
Audit fees	<u>6,128</u>	<u>5,750</u>

### 2 TAXATION

#### a) Analysis of charge in the year

	Year to 30 Jun 08	Period ended 30 Jun 07
	£	£
Corporation tax:		
UK corporation tax based on the results for the year at 28% (2007: 30%)	-	-
Total current tax	<u>-</u>	<u>-</u>

#### b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2007: 30%)

	2008 £	2007 £
(Loss) on ordinary activities before taxation	<u>(306,157)</u>	<u>(14,174)</u>
(Loss) on ordinary activities by rate of tax	(85,274)	(4,252)
Tax losses carried forward	<u>85,274</u>	<u>4,252</u>
Total current tax	<u>-</u>	<u>-</u>

A potential deferred tax asset of £85,724 based on assumed corporation tax rate of 28% on previous period tax losses has not been recognised in the financial statements due to the timing of expected future profits.

### 3 STOCK

Loan interest to the value of £147,918 (2007: £79,351) has been capitalised within the stock value of £2,733,459 (2007: £1,346,080)

### 4 DEBTORS

	30 Jun 08 £	30 Jun 07 £
Amount owed by Eatonfield Group PLC and subsidiary companies	1	46,351
Vat recoverable	117,400	252
Amount owed by Jenard Properties Limited	<u>1</u>	<u>1</u>
	<u>117,402</u>	<u>46,604</u>

# Hawkesbury Properties Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the period to 30 June 2008

### 5 CREDITORS: Amounts falling due within one year

	30 Jun 08	30 Jun 07
	£	£
Trade creditors	23,402	3,057
Amount owed to Eatonfield Group PLC and subsidiary companies	217,720	68,390
Amount owed to Jenard Properties Limited	1,261,204	711,656
Bank Loan	1,686,377	620,000
Other creditors	5,163	5,750
	<u>3,193,866</u>	<u>1,408,853</u>

The Alliance and Leicester Loan is secured by:-

A first legal charge over land and buildings at Rugeley Road, Hednesford, Cannock, a fixed charge over the fixtures and fittings and any future goodwill of the company and an assignment and charge over the building contract, dated 25 January 2008.

### 6 RELATED PARTY TRANSACTIONS

At 30 June 2008 the company owed £208,620 (2007: £59,290) to Eatonfield Developments Limited, the companies have 2 common directors. Transactions during the year included payments amounting to £2,036,601 and receipts of £1,887,271.

At 30 June 2008 the company owed £1,261,204 (2007: £711,656) to Jenard Properties Limited, the companies have 2 common directors. Transactions during the year included payments amounting to £113,108 and receipts of £662,656. During the year interest, at 2% over base rate, of £74,361 was accrued to Jenard Properties Limited (2007 £41,166).

At 30 June 2008 the company was owed £Nil (2007: £46,351) by Eatonfield Homes Limited, the companies have one common director. Transactions during the year included payments amounting to £980,314 and receipts of £1,026,665.

At 30 June 2008 the company owed £9,100 (2007: £9,100) to Eatonfield Group PLC, the companies have one common director. No transactions took place during the year.

Mr K B Mather, a director of Hawkesbury Properties Limited, is a consultant for Perkins Solicitors. The firm provided legal services to the sum of £70 (2007: £9,681) during the financial period. £Nil of this amount was outstanding at the year end (2007: £78).

### 7 SHARE CAPITAL

	30 Jun 08	30 Jun 07
	£	£
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	30 Jun 08	30 Jun 07
	£	£
Allotted and called up: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

# Hawkesbury Properties Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the period to 30 June 2008

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### 8 PROFIT AND LOSS ACCOUNT

	Year to 30 Jun 08	Period to 30 Jun 07
	£	£
At 1 July	(14,174)	-
Accumulated loss for the financial period	(306,157)	(14,174)
At 30 June	<u>(320,331)</u>	<u>(14,174)</u>

### 9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Jun 08	30 Jun 07
	£	£
Opening shareholder's funds	(14,172)	-
Loss for the financial period	(306,157)	(14,174)
New ordinary share capital subscribed	-	2
Closing shareholders' funds	<u>(320,329)</u>	<u>(14,172)</u>

### 10 ULTIMATE PARENT UNDERTAKING

The company is a Joint Venture between Jenard Properties Limited and Eatonfield Developments Limited, each owning 50%.

### 11 POST BALANCE SHEET EVENTS

Subsequent to the year end, the property market has continued to deteriorate, as such a further exceptional write down of stock has been made for £300,000 which is not incorporated into these financial statements.