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REGISTERED NUMBER: SC302007 (Scotland)

Abbreviated Audited Accounts for the Year Ended 31 December 2011

for

Hazledene (Johnstone) Limited



Hazledene (Johnstone) Limited (Registered number: SC302007)

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for the Year Ended 31 December 2011**

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Hazledene (Johnstone) Limited

**Company Information
for the Year Ended 31 December 2011**

DIRECTOR:	M D Shaw
SECRETARY:	Dr N Baille
REGISTERED OFFICE:	The Ca'd'ora 45 Gordon Street Glasgow G1 3PE
REGISTERED NUMBER:	SC302007 (Scotland)
SENIOR STATUTORY AUDITOR:	Lorraine Macphail
AUDITORS:	Grant Thornton UK LLP 95 Bothwell Street Glasgow Strathclyde G2 7JZ
SOLICITORS:	Harper Macleod LLP The Ca'd'ora 45 Gordon Street Glasgow G1 3PE

**Report of the Independent Auditors to
Hazledene (Johnstone) Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages three to five, together with the full financial statements of Hazledene (Johnstone) Limited for the year ended 31 December 2011 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 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director is 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 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 the Regulations made under that Section.

Other information

On 28 June 2013, we reported as auditors to the shareholders of the company on the full financial statements for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006, and our report included the following extract:

"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 of the financial statements concerning the Company's ability to continue as a going concern. The company incurred a net loss of £876,247 during the year ended 31 December 2011 and, at that date, it had net liabilities of £942,159.

Whilst no formal bank facilities are in place the Director is confident that the loan will not be recalled until funds are available from the sale of its development.

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 doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern."

Grant Thornton UK LLP.

Lorraine Macphail (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
95 Bothwell Street
Glasgow
Strathclyde
G2 7JZ

Date: 28 June 2013.

Hazledene (Johnstone) Limited (Registered number: SC302007)

**Abbreviated Balance Sheet
31 December 2011**

	Notes	2011 £	2010 £
CURRENT ASSETS			
Stocks		50,000	897,948
Debtors		411	153
Cash at bank		<u>8,371</u>	<u>3,560</u>
		58,782	901,661
CREDITORS			
Amounts falling due within one year	2	<u>1,000,941</u>	<u>967,573</u>
NET CURRENT LIABILITIES		<u>(942,159)</u>	<u>(65,912)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(942,159)</u>	<u>(65,912)</u>
CAPITAL AND RESERVES			
Called up share capital	3	1	1
Profit and loss account		<u>(942,160)</u>	<u>(65,913)</u>
SHAREHOLDERS' FUNDS		<u>(942,159)</u>	<u>(65,912)</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 28/6/13 and were signed by:


.....
M D Shaw - Director

The notes form part of these abbreviated accounts

Hazledene (Johnstone) Limited (Registered number: SC302007)

Notes to the Abbreviated Accounts for the Year Ended 31 December 2011

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue to meet its obligations as they fall due for at least 12 months from the date of approval of the financial statements. During the year the company made a net loss of £876,247 and had net liabilities of £942,159 at the year end.

The company has financed its development, held within work in progress, with the assistance of a bank loan. This bank loan was due to be repaid in full on 31 January 2010 at which time it had been envisaged that the development would have been sold. To date the development remains within the company and the loan remains intact. Whilst no formal bank facilities are now in place, at the time of approving the financial statements, the Director is in advanced negotiations with the company's bankers for refinancing of the borrowings.

The company's ability to continue as a going concern is dependent on its ability to obtain continued financing. The company's financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the company be unable to continue as a going concern. Such adjustments may be material.

The Director recognises that the company also relies on the financial support provided by Hazledene Group Limited, the company's intermediate parent undertaking. Hazledene Group Limited has confirmed that it will continue to support the company for a period not less than 12 months from the date of the approval of these financial statements. Accordingly, the Director considers that it is appropriate to prepare the financial statements on a going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Stocks

Work in progress is stated at the lower of cost and realisable value. Costs directly attributable to the development are capitalised so long as the Director anticipates that expected future revenues will match or exceed the costs incurred. A third party valuation was performed in October 2012 and the value of work in progress has been reduced in line with this valuation.

Deferred tax

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 to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers 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.

Hazledene (Johnstone) Limited (Registered number: SC302007)

Notes to the Abbreviated Accounts - continued for the Year Ended 31 December 2011

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

2. CREDITORS

Creditors include an amount of £600,000 (2010 - £600,000) for which security has been given.

3. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2011 £	2010 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

4. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Morden Limited, a company incorporated in the Channel Islands and owned by a trust.

5. RELATED PARTY DISCLOSURES

Hazledene Group Limited

Parent undertaking

During the year, Hazledene Group Limited paid expenses of £33,826 (2010 £56,478) on behalf of Hazledene (Johnstone) Limited.

	2011 £	2010 £
Amount due to related party at the balance sheet date	<u>386,590</u>	<u>352,764</u>

Mark Shaw is a director of Hazledene Group Limited.

Hazledene Estates Limited

Intermediate parent undertaking

Hazledene Estates Limited owes Hazledene (Johnstone) Limited £1 (2010 £1) in unpaid share capital.

	2011 £	2010 £
Amount due from related party at the balance sheet date	<u>1</u>	<u>1</u>

Mark Shaw is a director of Hazledene Estates Limited.