

Abbreviated Accounts for the Year Ended 31 December 2008

for

Hazledene (Johnstone) Limited

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Hazledene (Johnstone) Limited (Registered number: SC302007)

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for the Year Ended 31 December 2008**

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Hazledene (Johnstone) Limited

**Company Information
for the Year Ended 31 December 2008**

DIRECTOR: M D Shaw

SECRETARY: Mrs C Key

REGISTERED OFFICE: 80 George Street
Edinburgh
EH2 3BU

REGISTERED NUMBER: SC302007 (Scotland)

AUDITORS: Grant Thornton UK LLP
95 Bothwell Street
Glasgow
Strathclyde
G2 7JZ

SOLICITORS: Semple Fraser LLP
80 George Street
Edinburgh
EH2 3BU

**Report of the Independent Auditors to
Hazledene (Johnstone) Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages three to five, together with the financial statements of Hazledene (Johnstone) Limited for the year ended 31 December 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "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 are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other information

On 2 June 2010 we reported as auditors to the shareholders of the company on the full statutory accounts prepared under Section 226 of the companies Act 1985 and our audit report under section 235 of the Companies Act 1985 included the following paragraph:

Emphasis of Matter - Going concern

In forming our opinion, 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. In the opinion of the Director, the market value of the development exceeds the carrying value and sales proceeds will be sufficient to meet all liabilities. In addition, 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 the development. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect. 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
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
GLASGOW

Date: 2/6/10


Hazledene (Johnstone) Limited (Registered number: SC302007)

**Abbreviated Balance Sheet
31 December 2008**

	Notes	2008 £	2007 £
CURRENT ASSETS			
Stocks		845,330	583,805
Debtors		<u>10,203</u>	<u>832</u>
		855,533	584,637
CREDITORS			
Amounts falling due within one year	2	<u>885,866</u>	<u>606,418</u>
NET CURRENT LIABILITIES		<u>(30,333)</u>	<u>(21,781)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(30,333)</u>	<u>(21,781)</u>
CAPITAL AND RESERVES			
Called up share capital	3	¹ <u>(30,334)</u>	¹ <u>(21,782)</u>
Profit and loss account			
SHAREHOLDERS' FUNDS		<u>(30,333)</u>	<u>(21,781)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the director on 11/6/10 and were signed by:


.....
M D Shaw - Director

The notes form part of these abbreviated accounts

1. ACCOUNTING POLICIES

Fundamental accounting concept

Going Concern

The financial statements have been prepared on a going concern basis. The Director considers that this basis is appropriate as plans have been prepared which will mean the market value of the development will exceed book value and the profit on the ultimate sale of the development will enable the company to meet all of its liabilities.

The company has financed the development 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, the loan has not been recalled by the bank and a parent company undertaking is in place. Therefore the Director believes that the loan will not be recalled until the development is sold.

Hazledene Group Limited, the company's intermediate parent undertaking, has agreed to provide financial support until the completion and sale of the development.

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 January 2007).

Stocks

Work in progress is stated at the lower of cost and net realisable value.

Costs represent direct material plus attributable overheads and finance charges incurred in development.

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.

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.

Hazledene (Johnstone) Limited (Registered number: SC302007)

Notes to the Abbreviated Accounts - continued for the Year Ended 31 December 2008

2. CREDITORS

Creditors include an amount of £608,097 (2007 - £586,266) for which security has been given.

3. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2008 £	2007 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted and issued: Number:	Class:	Nominal value:	2008 £	2007 £
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

The company's immediate parent undertaking is Hazledene Homes Limited, a company incorporated in Scotland.

An amount of £1 was receivable from Hazledene Homes Limited in respect of the ordinary share (2007 - £1).

During the year, Hazledene Group limited paid expenses of £177,310 (2007 - £96,924) on behalf of Hazledene (Johnstone) Limited and £nil (2007 - £136,230) was repaid. The company owed £191,305 (2007 - £13,302) to Hazledene Group Limited at the year end. Mark Shaw, the director of Hazledene (Johnstone) Limited is also a director of Hazledene Group Limited.

Hazledene Estates Limited has given an undertaking to the bank in respect of the company's borrowings.