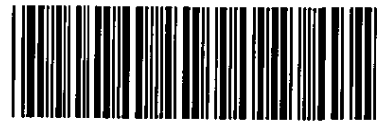


Company Registration No. 1704435 (England and Wales)

**REGISTRAR'S COPY
OF ACCOUNTS**

**MERLEWOOD ESTATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

WEDNESDAY



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COMPANIES HOUSE

Cavendish
Chartered Certified Accountants
Registered Auditors
4th Floor Centre Heights 137 Finchley Road
London NW3 6JG

Ref : 589

TX

MERLEWOOD ESTATES LIMITED

COMPANY INFORMATION

Directors	C P Farrell Mrs D I Harrison
Secretary	S Smith
Company number	1704435
Registered office	4th Floor Centre Heights 137 Finchley Road London NW3 6JG
Auditors	Cavendish Chartered Certified Accountants Registered Auditors 4th Floor Centre Heights 137 Finchley Road London NW3 6JG
Business address	Ryewater Nursery Folke, Sherborne Dorset DT9 5PL
Bankers	Bank of Scotland plc West End Office 14-16 Cockspur Street London SW1Y 5BL

MERLEWOOD ESTATES LIMITED

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MERLEWOOD ESTATES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2009

The directors present their report and financial statements for the year ended 30 June 2009.

Principal activities

The principal activity of the company in the year under review continued to be property dealing.

Directors

The following directors have held office since 1 July 2008:

C P Farrell

Mrs D I Harrison

Charitable donations	2009 £	2008 £
During the year the company made the following payments:		
Charitable donations	-	2,500

Auditors

Cavendish are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

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.

MERLEWOOD ESTATES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2009

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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.

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 handwritten signature in black ink, appearing to read 'S Smith', with a large 'X' mark over the end of the signature.

S Smith

Secretary

3 September 2009

MERLEWOOD ESTATES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MERLEWOOD ESTATES LIMITED

We have audited the financial statements of Merlewood Estates Limited for the year ended 30 June 2009 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the 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 Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 14 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 30 June 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

MERLEWOOD ESTATES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MERLEWOOD ESTATES LIMITED

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.



D I Lawrence FCA, FCCA (Senior Statutory Auditor)
for and on behalf of Cavendish

4 September 2009

Chartered Certified Accountants

Registered Auditors
4th Floor Centre Heights
137 Finchley Road
London NW3 6JG

MERLEWOOD ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 £	2008 £
Turnover		2,191,200	45,250
Cost of sales		(2,368,461)	(207,879)
Gross loss		(177,261)	(162,629)
Distribution costs		(50,872)	(112,185)
Administrative expenses		(95,949)	(105,713)
Other operating income		64,847	107,054
Operating loss	2	(259,235)	(273,473)
Exceptional items			
Sundry loan written off		(146,168)	-
Inter-group loan written off		(64,908)	-
Loss on ordinary activities before interest		(470,311)	(273,473)
Investment income	3	9,000	9,000
Other interest receivable and similar income	3	2,125	29,646
Amounts written off investments	4	(36,000)	(19,999)
Interest payable and similar charges		(19,226)	(12,100)
Loss on ordinary activities before taxation		(514,412)	(266,926)
Tax on loss on ordinary activities	5	-	76,620
Loss for the year	13	(514,412)	(190,306)

MERLEWOOD ESTATES LIMITED

BALANCE SHEET

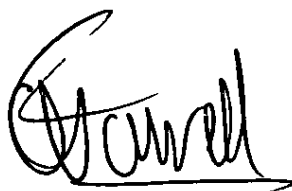
AS AT 30 JUNE 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	7		2,250		3,000
Investments	8		4,001		40,001
			<u>6,251</u>		<u>43,001</u>
Current assets					
Stocks		479,500		2,379,205	
Debtors	9	55,603		505,642	
Cash at bank and in hand		702,085		27,023	
		<u>1,237,188</u>		<u>2,911,870</u>	
Creditors: amounts falling due within one year	10	<u>(1,240,019)</u>		<u>(633,038)</u>	
Net current (liabilities)/assets			<u>(2,831)</u>		<u>2,278,832</u>
Total assets less current liabilities			<u>3,420</u>		<u>2,321,833</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		3,320		2,321,733
Shareholders' funds			<u>3,420</u>		<u>2,321,833</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies 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 3 September 2009

C P Farrell
Director



MERLEWOOD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1 Accounting policies

1.1 Accounting convention

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

1.2 Turnover

Turnover represents sales of properties and income from joint ventures and commission during the year net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% reducing balance
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1.4 Investments

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

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2 Operating loss

	2009	2008
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	750	1,000
Auditors' remuneration	6,000	5,000
	<u>6,750</u>	<u>6,000</u>

MERLEWOOD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

3	Investment Income	2009	2008
		£	£
	Income from fixed asset investments	9,000	9,000
	Bank interest	19	28,542
	Other interest	2,106	1,104
		<u>11,125</u>	<u>38,646</u>
4	Amounts written off Investments	2009	2008
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	<u>36,000</u>	<u>19,999</u>
5	Taxation	2009	2008
		£	£
	Domestic current year tax		
	Adjustment for prior years	-	(76,620)
	Current tax charge	<u>-</u>	<u>(76,620)</u>
6	Dividends	2009	2008
		£	£
	Dividends paid 16 March 2009	1,004,000	-
	Final dividends payable	<u>800,000</u>	<u>-</u>

MERLEWOOD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

7 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2008 & at 30 June 2009	7,058
Depreciation	
At 1 July 2008	4,058
Charge for the year	750
At 30 June 2009	4,808
Net book value	
At 30 June 2009	2,250
At 30 June 2008	3,000

8 Fixed asset investments

	Unlisted investments
	£
Cost	
At 1 July 2008	40,001
Revaluation	(36,000)
At 30 June 2009	4,001

9 Debtors

	2009	2008
	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	64,908
Other debtors	55,603	440,734
	55,603	505,642

MERLEWOOD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

10 Creditors: amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	183,149	440,486
Taxation and social security	2,857	7,661
Other creditors	1,054,013	184,891
	<u>1,240,019</u>	<u>633,038</u>

The bank overdraft is secured by fixed and floating charges over all of the company's assets and is supported by the guarantee from Mr C P Farrell.

11 Pension costs

The company operates a defined contribution pension scheme. Contributions payable by the company and paid during the year amounted to £Nil (2008 - £2,500) on behalf of the staff.

Defined contribution

	2009 £	2008 £
Contributions payable by the company for the year	<u>-</u>	<u>2,500</u>

12 Share capital

	2009 £	2008 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

MERLEWOOD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2008	2,321,732
Loss for the year	(514,412)
Dividends paid	(1,804,000)
Balance at 30 June 2009	<u>3,320</u>

14 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

15 Control

The parent company and controlling party is Colchester Limited, a company registered in the British Virgin Islands.

16 Related party transactions

Amounts owed by group undertakings as shown in note 9 are due from Traitbond Limited, a fellow subsidiary undertaking also controlled by Colchester Limited.

Included in other debtors are amounts totalling £Nil (2008 - £146,168) owed by Riverview Estates Limited, a company in which C P Farrell is also a director and retains a 50% shareholding.

This company's directors are also directors of Traitbond Limited.

During the year, the company paid a management charge of £55,000 (2008 - £55,000) to Traitbond Limited.