

2695040

PURELAKE NEW HOMES LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2007

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COMPANIES HOUSE

PURELAKE NEW HOMES LIMITED

Registered in England and Wales No	2695040
Date of Incorporation	9 March 1992
Directors	B J White Mrs S A White G A Dowd N Convert Miss T A Fleming (Appointed 01 07 07)
Company Secretary	Mrs S A White
Registered Office	Springbank Business Centre 87/89 Springbank Road London SE13 6SS
Auditors	Burrells Accountancy Limited Registered Auditors Jubilee House Jubilee Court Dersingham King's Lynn Norfolk PE31 6HH
Bankers	Barclays Bank plc Maidstone Corporate Banking Centre PO Box 427 Maidstone Kent ME14 1TW National Westminster Bank plc Second Floor 143 High Street Bromley Kent BR1 1JH

PURELAKE NEW HOMES LIMITED**REPORT OF THE DIRECTORS****YEAR ENDED 31 DECEMBER 2007**

The directors have pleasure in presenting their report and the accounts for the year ended 31 December 2007

BUSINESS REVIEW

The principal activity of the company is the construction of new residential property

There have been no significant changes in the company's principal activities in the year under review and the directors are not aware at the date of this report of any likely changes in the foreseeable future

The company completed a large speculative development during the year which has sold well in addition to completing a number of developments under contract to housing associations. It has started new building work during the year on large developments but due to the large completions, there has been a decrease in the work in progress at the year end

The housing association contracts yield lower profit levels than speculative build and, therefore, the company made a reduced profit after taxation for the year of £250937 (2006 - £378115) which was transferred to reserves

The Balance Sheet shows that the company's financial position at the end of the year is, in net asset terms, strengthening. Details of amounts owed to its parent and from its fellow subsidiary are shown in the notes to the financial statements

The directors are unaware of any significant events since the Balance Sheet date that should be noted in the financial statements

The company's key financial performance indicators are those that reflect the financial performance and strength of the company. These include turnover, gross profit percentage, profits after tax and work in progress. Turnover has increased during the year due to the completion of a large site and it is expected to maintain its level next year as further developments are due to be completed. Gross profit has fallen as a result of completed speculative developments yielding a small than expected return. Profit after tax has fallen as a result of the lower level of yield but this is seen as a temporary reduction due to one site having a reduced margin. Work in progress has decreased as a result of the completion of significant development work during the year

PRINCIPAL RISKS AND UNCERTAINTIES

The company is financed by bank loans which is set at base rate plus. The company is, therefore, subject to interest rate uncertainties

The company is also subject to the uncertainty of the housing market. It has, however, previously been able to sell all developed properties, and a large speculative development in the process of being built has shown great interest with the majority of the units being reserved

PURELAKE NEW HOMES LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31 DECEMBER 2007

DIVIDENDS

No interim dividends were paid in the year (2006 - £Nil) The directors do not recommend the payment of a final dividend

PARENT COMPANY

The company is a subsidiary of Purelake Properties Limited which owns 76% of the Ordinary Share Capital (2006 - 76%)

DIRECTORS

The directors who served the company during the year were as follows -

B J White

Mrs S A White

G A Dowd

N Convert

Miss T A Fleming (Appointed 01 07 07)

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PURELAKE NEW HOMES LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 31 DECEMBER 2007

CHARITABLE AND POLITICAL DONATIONS

The company contributed £2500 during the year (2006 - £1354) to charities in the UK No payments were made to political parties

AUDITORS

In accordance with Section 384(1) of the Companies Act 1985 a resolution proposing the re-appointment of Burrells Accountancy Limited, Registered Auditors, will be presented at the forthcoming Annual General Meeting

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ACCOUNTS

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

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the result for that period

In preparing the accounts the directors are required to -

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business

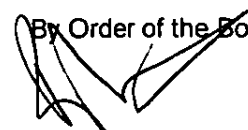
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors, in determining how amounts are presented within items in the Profit and Loss Account and Balance Sheet, have regard to the substance of the reported transactions or arrangement in accordance with generally accepted accounting principles or practice

DISCLOSURE TO AUDITORS

The following applies in respect of all directors -

- a) So far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- b) Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By Order of the Board


B J White
Director

REPORT OF THE AUDITORS TO
PURELAKE NEW HOMES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 16 together with the full financial statements of the company for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

Respective Responsibilities of Directors and Auditors

The company's directors are responsible for the preparation of abbreviated accounts in accordance with section 246A 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 section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we consider necessary to confirm by reference to the full audited financial statements that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 6 to 16 are properly prepared in accordance with that provision.

Jubilee House
Jubilee Court
Dersingham
King's Lynn
Norfolk
PE31 6HH

Burrells

Burrells Accountancy Limited
Registered Auditors
30 October 2008

PURELAKE NEW HOMES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2007**

	<u>Notes</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
<u>TURNOVER</u>		15234534	7421335
<u>COST OF SALES</u>		12957770	5079243
<u>GROSS PROFIT</u>		<u>2276764</u>	<u>2342092</u>
<u>ADMINISTRATIVE EXPENSES</u>		1743002	1686312
		<u>533762</u>	<u>655780</u>
<u>OTHER OPERATING INCOME</u>		70920	162473
<u>OPERATING PROFIT</u>	13	<u>604682</u>	<u>818253</u>
<u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	17	285466	254834
<u>PROFIT ON ORDINARY ACTIVITIES</u>		<u>319216</u>	<u>563419</u>
<u>BEFORE TAXATION</u>		<u>319216</u>	<u>563419</u>

PURELAKE NEW HOMES LIMITED
PROFIT AND LOSS APPROPRIATION ACCOUNT
YEAR ENDED 31 DECEMBER 2007

	<u>Note</u>	<u>2007</u> £	<u>2006</u> £
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		319216	563419
 <u>TAXATION</u>	16	68279	185304
		<hr/>	<hr/>
<u>RETAINED PROFIT</u> for year		250937	378115
			<hr/>
 <u>RETAINED PROFIT</u> brought forward	9288220		8919505
<u>LESS</u> Capitalisation of Reserves	--		(9400)
	<hr/>	9288220	8910105
			<hr/>
 <u>RETAINED PROFIT</u> carried forward		9539157	9288220
		<hr/>	<hr/>

CONTINUING OPERATIONS

None of the activities of the company were commenced or were discontinued during the current or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the above profits for the current and previous year

PURELAKE NEW HOMES LIMITED**BALANCE SHEET - 31 DECEMBER 2007**

	<u>Notes</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
<u>FIXED ASSETS</u>			
Tangible Assets	7	311916	219655
<u>CURRENT ASSETS</u>			
Stocks and Work in Progress	8	5335644	7012449
Debtors	9	8156431	8264733
Cash at Bank and in Hand		764254	93024
		<u>14256329</u>	<u>15370206</u>
<u>CREDITORS</u>			
<u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	10	4914783	6122042
<u>NET CURRENT ASSETS</u>		<u>9341546</u>	<u>9248164</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>9653462</u>	<u>9467819</u>
<u>CREDITORS</u>			
<u>AMOUNTS FALLING DUE AFTER ONE YEAR</u>	11	92105	156699
		<u>9561357</u>	<u>9311120</u>
<u>PROVISIONS FOR LIABILITIES</u>			
<u>AND CHARGES</u>	12	12200	12900
		<u>9549157</u>	<u>9298220</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	2	10000	10000
Profit and Loss Account		9539157	9288220
		<u>9549157</u>	<u>9298220</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium companies


B J White

Director

24/10/08

Date

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PURELAKE NEW HOMES LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
<u>CASH INFLOW/(OUTFLOW)</u>			
<u>FROM OPERATING ACTIVITIES</u>	18	3458990	(1644558)
<u>RETURNS ON INVESTMENTS AND</u>			
<u>SERVICING OF FINANCE</u>			
Interest Received	70699		162098
Interest Paid	(285466)		(254834)
<u>Net Cash Outflow from Returns on</u>			
<u>Investments and Servicing of Finance</u>		(214767)	(92736)
<u>TAXATION</u>		(49226)	(365215)
<u>CAPITAL EXPENDITURE</u>			
Payments to Acquire Fixed Assets	(193221)		(10957)
Proceeds of Disposal of Fixed Assets	7500		--
<u>Net Cash Outflow from Capital Expenditure</u>		(185721)	(10957)
<u>FINANCING</u>			
Receipts from Issuing Share Capital	--		500
Repayment of Loans	(3116860)		(443387)
Receipts from New Loans	1046760		1454610
Capital Hire Purchase Repayments	(13049)		(13050)
<u>Net Cash (Outflow)/Inflow from Financing</u>		(2083149)	998673
<u>INCREASE/(DECREASE) IN CASH</u>		926127	(1114793)
<u>RECONCILIATION OF NET CASH</u>			
<u>FLOW TO MOVEMENT IN NET DEBT</u>	19		
Increase/(Decrease) in Cash in the Year		926127	(1114793)
Capital Hire Purchase Repayments		13049	13050
Repayment of Loans		3116860	443387
Receipts from New Loans		(1046760)	(1454610)
<u>Net Debt as at 1 January 2007 / 2006</u>		3009276 (3938409)	(2112966) (1825443)
<u>Net Debt as at 31 December 2007 / 2006</u>		(929133)	(3938409)

PURELAKE NEW HOMES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2007****1 PRINCIPAL ACCOUNTING POLICIES****a) Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice

b) Depreciation

Depreciation is calculated so as to write off the cost of the fixed assets on a reducing balance basis over their expected useful lives. The annual rates used are as follows -

	<u>%</u>
Motor Vehicles	25
Equipment	25

c) Work in Progress

Long-term contracts are valued at cost (including its attributable profit) net of income received. Attributable profit is calculated with reference to the contract value and its level of completion.

All other work in progress is for direct sale and is costed at the lower of cost and net realisable value.

d) Deferred Taxation

Provision is made for deferred taxation in respect of timing differences that have originated but not reversed by the Balance Sheet date.

e) Hire Purchase Commitments

Assets obtained under Hire Purchase Contracts are capitalised in the Balance Sheet and depreciated over their useful lives. Interest is charged to the Profit and Loss Account over the period of the agreement.

f) Pension Costs

The company operates a money purchase pension scheme. Contributions for the period are charged to the Profit and Loss Account as paid.

PURELAKE NEW HOMES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2007****2 SHARE CAPITAL 2007 and 2006**

Authorised - Ordinary Shares of £1 each	9500
	<hr/>
Authorised - Ordinary A Shares of £1 each	500
	<hr/>
Issued and Fully Paid - Ordinary Shares	9500
	<hr/>
Issued and Fully Paid - Ordinary A Shares	500
	<hr/>

3 SECURED CREDITORS

Bank borrowings totalling £1536687 (2006 - £3795895) are from Barclays Bank plc and are secured by a fixed charge over specific developments in progress and a floating charge over all other assets. In addition there are cross guarantees in respect of all group companies, in favour of Barclays Bank plc.

There are hire purchase instalments totalling £11963 (2006 - £25012) secured on the fixed assets to which they relate.

4 CONTROLLING PARTY

Mr and Mrs White, directors of the company, are the ultimate controlling party.

5 HOLDING COMPANY

The company is a subsidiary of Purelake Properties Limited, a company incorporated in England. At 31 December 2007 the company owed £357865 (2006 - £381147) to the holding company in respect of loan advances which are repayable on demand.

The company paid interest on the loan at the rate it would pay interest to its bankers. The interest for the year ended 31 December 2007 amounted to £30570 (2006 - £23848).

6 TRANSACTIONS WITH RELATED PARTIES/COMPANIES

Purelake Investments Limited, a company incorporated in England, is a fellow subsidiary of Purelake Properties Limited. The company purchased a development property from Purelake Investments Limited for £240000 (2006 - £Nil) which represents the market valuation of the property. At 31 December 2007 the company was owed £6438247 by Purelake Investments Limited (2006 - £7470649) in respect of loan advances which are repayable on demand.

The company charged interest at a commercial rate and for the year ended 31 December 2007 this amounted to £60156 (2006 - £156019).

The company has a loan from its pension scheme for which the balance at 31 December 2007 is £144737 (2006 - £210526), which is repayable within three years. It attracts interest at a commercial rate and the amount charged for the year ended 31 December 2007 was £13476 (2006 - £16543).

PURELAKE NEW HOMES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2007****7 TANGIBLE FIXED ASSETS**

	<u>Equipment</u> <u>£</u>	<u>Motor</u> <u>Vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>COST</u>			
At 31 December 2006	535593	126331	661924
Additions	159654	33567	193221
	<u>695247</u>	<u>159898</u>	<u>855145</u>
Disposals	--	43601	43601
	<u>695247</u>	<u>116297</u>	<u>811544</u>
At 31 December 2007	<u>695247</u>	<u>116297</u>	<u>811544</u>
<u>DEPRECIATION</u>			
At 31 December 2006	359929	82340	442269
Charge for Year	83084	10376	93460
	<u>443018</u>	<u>92716</u>	<u>535729</u>
Eliminated on Disposal	--	36101	36101
	<u>443013</u>	<u>56615</u>	<u>499628</u>
At 31 December 2007	<u>443013</u>	<u>56615</u>	<u>499628</u>
<u>NET BOOK VALUE</u>			
At 31 December 2007	<u>252234</u>	<u>59682</u>	<u>311916</u>
At 31 December 2006	<u>175664</u>	<u>43991</u>	<u>219655</u>

ASSETS ACQUIRED UNDER HIRE PURCHASE AGREEMENTS

The total net book value of fixed assets includes £23704 (2006 - £31606) in respect of assets acquired under hire purchase agreements after charging depreciation for the year of £7902 (2006 - £10535)

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PURELAKE NEW HOMES LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2007

8	<u>WORK IN PROGRESS</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Developments in Progress	5335644	7012449
		<hr/>	<hr/>
9	<u>DEBTORS</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Trade Debtors	1396146	620738
	Taxation and Social Security Costs	224441	88815
	Corporation Tax	--	4500
	Prepayments	97597	80031
	Amounts Owed by Group Undertaking (Note 6)	6438247	7470649
		<hr/>	<hr/>
		8156431	8264733
		<hr/>	<hr/>
10	<u>CREDITORS</u> <u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Bank Overdraft	--	254897
	Bank Loan Instalments	1536687	3540998
	Other Loans (Note 6)	52632	65789
	Hire Purchase Instalments	11963	13050
	Trade Creditors	2286607	1417507
	Amounts Owed to Group Undertaking (Note 5)	357865	381147
	Corporation Tax	15253	--
	Other Taxes and Social Security Costs	284093	298266
	Accruals	25801	69099
	Directors Current Account	343882	81289
		<hr/>	<hr/>
		4914783	6122042
		<hr/>	<hr/>
11	<u>CREDITORS</u> <u>AMOUNTS FALLING DUE AFTER ONE YEAR</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Hire Purchase Instalments	--	11962
	Other Loans (Note 6)	92105	144737
		<hr/>	<hr/>
		92105	156699
		<hr/>	<hr/>
12	<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Provision for Deferred Taxation	12200	12900
		<hr/>	<hr/>

PURELAKE NEW HOMES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2007**

13	<u>OPERATING PROFIT</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Operating profit is stated after charging -		
	Depreciation	93460	71570
	Auditors Remuneration		
	- Audit Fee	9250	8400
	- Other Services	26085	25150
14	<u>STAFF COSTS</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Directors Salaries	790000	781181
	Directors Pension Costs	132660	73360
	Other Salaries	910333	753045
	Social Security Costs	200938	181873
	Employees Pension Scheme	32407	12405
		<u>2066338</u>	<u>1801864</u>
	The average weekly number of employees during the year was made up as follows -		
		<u>2007</u> <u>No.</u>	<u>2006</u> <u>No.</u>
	Directors	5	3
	Site Managers and Labourers	26	15
	Office	7	8
		<u>38</u>	<u>26</u>
15	<u>DIRECTORS EMOLUMENTS</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
	Aggregate Emoluments	820491	802316
	Pension Contributions	132660	73360
		<u>953151</u>	<u>875676</u>

The emoluments of the highest paid director for the year are £332465 (2006 - £352719)

There are 3 directors benefiting from the Money Purchase Pension Scheme (2006 - 3) Contributions for the year relating to the highest paid director amounted to £48300 (2006 - £48300)

PURELAKE NEW HOMES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2007****16 TAXATION**

Corporation Tax has been charged on the profits for the year at a rate of 19.75% (2006 - 19%) and amounts to £19,753 (2006 - £14,250)

The charge in the Profit and Loss Account is made up as follows -

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Mainstream Corporation Tax Payable	19,753	14,250
Payment to Fellow Subsidiary for Surrender of Losses for the Year	49,226	174,854
Transfer from Deferred Taxation Provision	(700)	(3,800)
	<u>68,279</u>	<u>185,304</u>

The deferred taxation charge provided for in the accounts is made up as follows -

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Capital Allowances in Advance of Depreciation	12,200	12,900
	<u>12,200</u>	<u>12,900</u>

17 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Bank Charges	8,442	17,330
Bank Overdraft and Loan Interest	244,804	191,669
Interest on Inter Company Loan (Note 5)	30,570	23,848
Hire Purchase Interest	1,650	1,650
Other Interest Payable	--	20,337
	<u>285,466</u>	<u>254,834</u>

PURELAKE NEW HOMES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2007****18 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Operating Profit	604682	818253
Depreciation	93460	71570
Interest Received	(70699)	(162098)
Decrease/(Increase) in Work in Progress	1676805	(1350786)
Decrease/(Increase) in Debtors	103802	(1090420)
Increase in Creditors	1050940	68923
Net Cash Inflow/(Outflow) from Operating Activities	<u>3458990</u>	<u>(1644558)</u>

19 ANALYSIS OF CHANGES IN NET DEBT

	<u>As at</u>	<u>Cash</u>	<u>Other</u>	<u>As at</u>
	<u>31.12.06</u>	<u>Flow</u>	<u>Movement</u>	<u>31.12.07</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank Overdraft	(254897)	254897	--	--
Bank and Cash Balances	93024	671230	--	764254
Debt Due Within One Year	(3619837)	2083149	(64594)	(1601282)
Debt Due After More Than One Year	(156699)	--	64594	(92105)
Total	<u>(3938409)</u>	<u>3009276</u>	<u>--</u>	<u>(929133)</u>