

Gardenbook Projects Limited

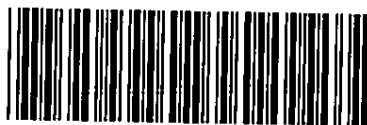
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## **Gardenbook Projects Limited**

### **Report and Financial Statements**

**For the year ended 30 September 2007**

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Gardenbook Projects Limited

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**Company information**

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<b>Directors</b>	M B Owen A J Norton H R Bilton A R Lovelady
<b>Secretary</b>	A R Lovelady
<b>Company number</b>	2875522
<b>Registered office</b>	North House 17 North John Street Liverpool L2 5EA
<b>Auditors</b>	Ernst & Young LLP Registered auditor 20 Chapel Street Liverpool L3 9AG

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**Directors' Report**  
**For the year ended 30 September 2007**

The directors present their report and the financial statements for the year ended 30 September 2007

**Principal activities**

The principal activity of the company during the year was property investment in the United Kingdom

**Directors**

The directors who served during the year were

M B Owen  
A J Norton  
H R Bilton  
A R Lovelady

**Provision of information to auditors**

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on

**12 SEP 2008**

and signed on its behalf

  
A R Lovelady  
Director

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**Statement of directors' responsibilities  
for the year ended 30 September 2007**

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The directors are responsible for preparing the Annual 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). 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 proper accounting records that 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 1985. 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.

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## **Independent Auditors' report to the members of Gardenbook Projects Limited**

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We have audited the company's financial statements for the year ended 30 September 2007 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

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 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 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 financial statements in accordance with applicable United Kingdom law and 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. We also report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 audit 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 judgments 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.

Gardenbook Projects Limited

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## Independent Auditors' report to the members of Gardenbook Projects Limited

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### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*Ernst & Young LLP*

Ernst & Young LLP  
Registered auditor  
Liverpool

Date 15 September 2008

**Profit and loss account  
for the year ended 30 September 2007**

	<i>Note</i>	<i>2007 £000</i>	<i>2006 £000</i>
<b>Turnover</b>	<b>1</b>	<b>397</b>	<b>401</b>
Cost of sales		(33)	(44)
<b>Gross profit</b>		<b>364</b>	<b>357</b>
Administrative expenses		(6)	(17)
<b>Operating profit</b>	<b>2</b>	<b>358</b>	<b>340</b>
Interest receivable		-	6
Interest payable		(130)	(122)
<b>Profit on ordinary activities before taxation</b>		<b>228</b>	<b>224</b>
Tax on profit on ordinary activities	<b>3</b>	(68)	(68)
<b>Profit on ordinary activities after taxation</b>	<b>9</b>	<b>160</b>	<b>156</b>

The notes on pages 8 to 11 form part of these financial statements

Gardenbook Projects Limited

**Statement of total recognised gains and losses  
for the year ended 30 September 2007**

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
<b><i>Profit for the financial year</i></b>	160	156
Unrealised (deficit)/surplus on revaluation of investment properties	(10)	475
<b><i>Total recognised gains and losses relating to the year</i></b>	150	631

The notes on pages 8 to 11 form part of these financial statements



Gardenbook Projects Limited

**Balance sheet  
as at 30 September 2007**

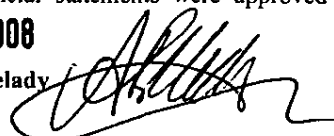
	<i>Note</i>	<i>£000</i>	<i>2007 £000</i>	<i>2006 £000</i>
<b>Fixed assets</b>				
Investment property	4		5,800	5,800
<b>Current assets</b>				
Debtors	5	136		135
<b>Creditors</b> amounts falling due within one year	6	(319)		(281)
<b>Net current liabilities</b>			(183)	(146)
<b>Total assets less current liabilities</b>			5,617	5,654
<b>Creditors</b> amounts falling due after more than one year	7		(1,693)	(1,880)
<b>Net assets</b>			3,924	3,774
<b>Capital and Reserves</b>				
Called up share capital	8		1	1
Revaluation reserve	9		3,052	3,062
Profit and loss account	9		871	711
<b>Shareholders' funds</b>			3,924	3,774

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

**12 SEP 2008**

A R Lovelady  
Director



The notes on pages 8 to 11 form part of these financial statements

## **Notes to the financial statements**

### **For the year ended 30 September 2007**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The true and fair override provisions of the Companies Act 1985 have been invoked, see "investment properties" below.

##### **1.2 Turnover**

Turnover represents the amount of gross rents and charges receivable and arises from one continuing activity of property investment in the United Kingdom.

##### **1.3 Investment properties**

Investment properties are accounted for in accordance with Financial Reporting Standard for Smaller Entities, as follows:

(i) Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, unless a deficit, or its reversal on an individual property is expected to be permanent, in which case it is recognised in the profit and loss account for the year. The revaluation of investment properties takes into account the provisions of abstract 28 from the Urgent Issues Task Force where operating lease incentives apply to a particular investment property.

(ii) No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation or amortisation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

##### **1.4 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 which will result in an obligation to pay tax in the future.

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.

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.

**Notes to the financial statements**  
For the year ended 30 September 2007

**2. Operating profit**

The operating profit is stated after charging

	2007 £000	2006 £000
Auditors' remuneration	3	3

During the year, no director received any emoluments (2006 - £NIL)

**3. Taxation**

	2007 £000	2006 £000
UK corporation tax charge on profit for the year	68	68

**Factors that may affect future tax charges**

If the investment property was sold for the amount of its valuation, a tax liability of approximately £631,000 would arise

**4. Investment property**

	<i>Freehold property £000</i>
<b>Cost or valuation</b>	
At 1 October 2006	5,800
Additions at cost	10
Deficit on revaluation	(10)
At 30 September 2007	5,800

The freehold investment properties were valued by the directors on the basis of market value at 30 September 2007  
The cost of the properties was £2,748,000

**5 Debtors**

	2007 £000	2006 £000
Trade debtors	125	130
Other debtors	11	5
	136	135

## Notes to the financial statements

For the year ended 30 September 2007

### 6 Creditors: Amounts falling due within one year

	2007 £000	2006 £000
Bank loans and overdrafts	128	126
Trade creditors	101	98
Corporation tax	33	4
Social security and other taxes	15	14
Other creditors	42	39
	<u>319</u>	<u>281</u>

### 7. Creditors: Amounts falling due after more than one year

	2007 £000	2006 £000
Bank loans	1,674	1,803
Amounts owed to related undertaking	19	77
	<u>1,693</u>	<u>1,880</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2007 £000	2006 £000
Repayable by instalments	1,152	1,280
Repayable other than by instalments	19	77
	<u>1,171</u>	<u>1,357</u>

Included above is a loan of £19,000 (2006 £77,000) which is due to a related undertaking. There are no fixed repayment terms for this loan which is available for over five years if required.

The bank loans are secured by legal charges over the freehold properties owned by the company. They are repayable in quarterly instalments at commercial rates.

**Notes to the financial statements**  
**For the year ended 30 September 2007**

**8. Share capital**

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
<b><i>Authorised, allotted, called up and fully paid</i></b>		
1,000 Ordinary Shares shares of £1 each	<u>1</u>	<u>1</u>

The authorised, allotted, called up and fully paid share capital shown above comprises 500 'A' ordinary shares and 500 'B' ordinary shares. The 'A' and 'B' shares have equal rights.

**9 Reserves**

	<i>Revaluation reserve £000</i>	<i>Profit and loss account £000</i>
At 1 October 2006	3,062	711
Profit for the year	-	160
Deficit on revaluation of freehold property	(10)	-
At 30 September 2007	<u>3,052</u>	<u>871</u>

**10 Related party transactions**

M B Owen and A R Lovelady are directors of Ethel Austin Investment Properties Limited. At 30 September 2007, there was an amount of £19,000 (2006 £77,000) due to Ethel Austin Investment Properties Limited. Interest paid in respect of this loan amounted to £2,000 (2006 £5,000).

**11. Controlling party**

At 30 September 2007, the company's immediate parent undertaking was Gardenbook Holdings Limited, which does not prepare group accounts.