

# **Gardenbook Projects Limited**

(Registered number 2875522)

## **Report and Financial Statements**

**For the year ended 31 March 2011**

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## **Gardenbook Projects Limited**

### **Company Information**

**Directors:** M B Owen  
A J Norton  
H W Bilton  
A R Lovelady

**Secretary.** A R Lovelady

**Company number:** 2875522

**Registered office:** North House  
17 North John Street  
Liverpool  
L2 5EA

**Auditors:** Pursglove & Brown  
Military House  
24 Castle Street  
Chester  
CH1 2DS

## **Gardenbook Projects Limited**

### **Directors' Report For the year ended 31 March 2011**

The directors present their report and the financial statements for the year ended 31 March 2011

#### **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 W Bilton  
A R Lovelady

#### **Auditors**

Ernst & Young LLP resigned as auditors on 31 January 2011 and were replaced by Pursglove & Brown

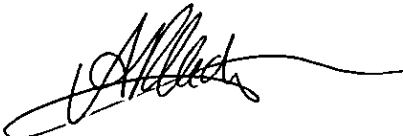
#### **Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

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

The report of the directors has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the board on 25 August 2011 and signed on its behalf



**A R Lovelady  
Director**

## **Gardenbook Projects Limited**

### **Statement of directors' responsibilities For the year ended 31 March 2011**

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 judgements 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 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.

## **Gardenbook Projects Limited**

### **Independent Auditors Report To the Members of Gardenbook Projects Limited**

We have audited the company's financial statements for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and related notes 1 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 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.

#### **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 31 March 2011 and of its profit 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 period for which the financial statements are prepared is consistent with the financial statements.

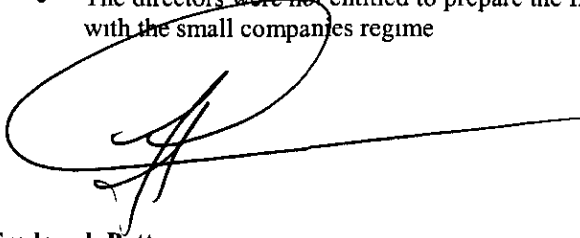
## **Gardenbook Projects Limited**

### **Independent Auditor's Report To the Members of Gardenbook Projects Limited (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following 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



**Frederick Patterson  
For and on behalf of  
Pursglove & Brown  
Statutory Auditors  
Chester**

**Date:**

25 Aug 2011

## **Gardenbook Projects Limited**

### **Profit and loss account**

**For the year ended 31 March 2011**

	<b>Note</b>	<b>Year ended 31 March 2011 £000</b>	<b>Period ended 31 March 2010 £000</b>
<b>Turnover</b>	1	423	611
Cost of sales		(46)	(44)
		<hr/>	<hr/>
<b>Gross profit</b>		377	567
Administrative expenses		(10)	(12)
		<hr/>	<hr/>
<b>Operating profit</b>	2	367	555
Interest receivable from related parties		4	8
Interest payable		(32)	(87)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		339	476
Tax on profit on ordinary activities	3	(88)	(133)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>	9	251	343
		<hr/>	<hr/>

### **Continuing operations**

None of the company's activities were acquired or discontinued during the current year or previous period

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 31 March 2011**

	<b>Year ended 31 March 2011 £000</b>	<b>Period ended 31 March 2010 £000</b>
<b>Profit for the financial period</b>	251	343
Unrealised deficit on revaluation of investment properties	(87)	(88)
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the period</b>	164	255
	<hr/>	<hr/>

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



# Gardenbook Projects Limited

## Balance Sheet As at 31 March 2011

	Note	£000	31 March 2011 £000	31 March 2010 £000
<b>Fixed assets</b>				
Investment property	4		4,913	5,000
<b>Current assets</b>				
Debtors	5	427	403	
		427	403	
<b>Creditors</b> amounts falling due within one year	6	(299)	(389)	
<b>Net current assets</b>			128	14
<b>Total assets less current liabilities</b>			5,041	5,014
<b>Creditors</b> amounts falling due after more than one year	7		(1,212)	(1,349)
<b>Net assets</b>			3,829	3,665
<b>Capital and Reserves</b>				
Called up share capital	8		1	1
Revaluation reserve	9		2,197	2,284
Profit and loss account	9		1,631	1,380
<b>Shareholders' funds</b>			3,829	3,665

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 August 2011

A R Lovelady  
Director

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

# **Gardenbook Projects Limited**

## **Notes to the financial statements For the year ended 31 March 2011**

### **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 April 2008). The true and fair override provisions of the Companies Act 2006 have been invoked, see "investment properties" below.

#### **1.2 Turnover**

Turnover represents gross rents and charges receivable, excluding value added tax, and is attributable to 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 taxation 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 tax in the future.

Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been 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.

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.

## **Gardenbook Projects Limited**

Notes to the financial statements  
For the year ended 31 March 2011

### **2. Operating profit**

The operating profit is stated after charging

	<b>2011 £000</b>	<b>2010 £000</b>
Auditors' remuneration	4	4
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During the year, no director received any emoluments (2010 £nil)

### **3 Taxation**

	<b>2011 £000</b>	<b>2010 £000</b>
UK corporation tax charge on profits for the period at 28%	88	133
	<hr/>	<hr/>
	88	133
	<hr/>	<hr/>

### **Factors that may affect future tax charges**

If the investment properties were sold for the amount of their valuation, a tax liability of approximately £343,000 (2010 £395,000) would arise

### **4. Investment property**

	<b>Freehold Property £000</b>
<b>Cost or valuation</b>	
At 1 April 2010	5,000
Deficit on revaluation	(87)
	<hr/>
At 31 March 2011	4,913
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The cost of the freehold property was £2,716,000 The property is stated at its open market value as determined by the directors at 31 March 2011

## **Gardenbook Projects Limited**

### **Notes to the financial statements For the year ended 31 March 2011**

#### **5. Debtors**

	<b>2011 £000</b>	<b>2010 £000</b>
Trade debtors	72	74
Other debtors	1	10
Parent undertaking	354	319
	<hr/>	<hr/>
	427	403
	<hr/>	<hr/>

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

	<b>2011 £000</b>	<b>2010 £000</b>
Bank loan	129	129
Trade creditors	94	103
Corporation tax	54	133
Social security and other taxes	18	16
Other creditors	4	8
	<hr/>	<hr/>
	299	389
	<hr/>	<hr/>

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

	<b>2011 £000</b>	<b>2010 £000</b>
Bank loan	1,212	1,349
	<hr/>	<hr/>
	1,212	1,349
	<hr/>	<hr/>

The bank loan includes an amount of £565,000 (2010 £832,000) which is not repayable within 5 years. The loan is repayable by quarterly instalments, interest is payable at commercial rates and the loan is secured by charges over the company's freehold properties.

## **Gardenbook Projects Limited**

### **Notes to the financial statements For the year ended 31 March 2011**

#### **8. Share capital**

	<b>2011 £000</b>	<b>2010 £000</b>
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1	1

The share capital comprises 500 'A' ordinary shares and 500 'B' ordinary shares. The 'A' and 'B' shares have equal rights.

#### **9 Reserves**

	<b>Revaluation reserve £000</b>	<b>Profit and loss account £000</b>
At 1 April 2010	2,284	1,380
Profit retained for the period	-	251
Deficit on revaluation of freehold property	(87)	-
At 31 March 2011	2,197	1,631

#### **10. Controlling party**

The company is a wholly owned subsidiary undertaking of Gardenbook Holdings Limited, which does not prepare group financial statements.

#### **11. Related party transactions**

All of the directors are directors of Gardenbook Holdings Limited. At 31<sup>st</sup> March 2011 there was an amount of £354,000 (2010: £319,000) due from Gardenbook Holdings Limited. Interest received in respect of this loan amounted to £4,000 (2010: £8,000).