

COMPANY REGISTRATION NUMBER 03077946

**VINE DEVELOPMENTS LIMITED**  
**FINANCIAL STATEMENTS**

**31 MARCH 2006**



**HARE WILSON ASSOCIATES**  
Chartered Accountants & Registered Auditors  
Redmead House,  
Uxbridge Road,  
Hillingdon Heath,  
Uxbridge  
Middlesex  
UB 10 0LT



# VINE DEVELOPMENTS LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

<b>CONTENTS</b>	<b>PAGES</b>
The directors' report	1 to 2
Independent auditor's report to the shareholders	3 to 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 12
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	14
Notes to the detailed profit and loss account	15

# VINE DEVELOPMENTS LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 MARCH 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2006.

#### PRINCIPAL ACTIVITIES

The principal activity of the company is that of property developing and project consultancy advice.

#### THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2006	At 1 April 2005
G. DYKE	962,000	962,000
R. WEBB	-	-

#### DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year which 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 year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

In so far as the directors are aware:

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.

#### AUDITOR

A resolution to re-appoint Hare Wilson Associates as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# VINE DEVELOPMENTS LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2006

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
REDMEAD HOUSE  
UXBRIDGE ROAD  
HILLINGDON HEATH  
MIDDLESEX  
UB10 OLT

Signed by order of the directors



R. WEBB  
Company Secretary

Approved by the directors on 24th July 2006

# **VINE DEVELOPMENTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VINE DEVELOPMENTS LIMITED**

**YEAR ENDED 31 MARCH 2006**

We have audited the financial statements of VINE DEVELOPMENTS LIMITED for the year ended 31 March 2006 on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 7 to 8.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 judgements 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.

### **OPINION**

In our opinion:

# VINE DEVELOPMENTS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VINE DEVELOPMENTS LIMITED *(continued)*

### YEAR ENDED 31 MARCH 2006

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 31 March 2006 and of its loss 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 year ended 31 March 2006.

Redmead House,  
Uxbridge Road,  
Hillingdon Heath,  
Uxbridge  
Middlesex  
UB 10 0LT

HARE WILSON ASSOCIATES  
Chartered Accountants  
& Registered Auditors

*Hare Wilson Associates*

24th July 2006

# VINE DEVELOPMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
<b>TURNOVER</b>		<b>417,000</b>	220,000
Cost of sales		—	83,302
<b>GROSS PROFIT</b>		<b>417,000</b>	136,698
Administrative expenses		725,885	144,796
Other operating income		(28,413)	(29,490)
<b>OPERATING (LOSS)/PROFIT</b>	<b>2</b>	<b>(280,472)</b>	21,392
Interest receivable		292,481	231,096
Interest payable and similar charges		(194,010)	(225,946)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(182,001)</b>	26,542
Tax on (loss)/profit on ordinary activities	<b>3</b>	<b>(34,580)</b>	5,042
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(147,421)</b>	21,500
Balance brought forward		825,820	804,320
Balance carried forward		<u>678,399</u>	<u>825,820</u>

The notes on pages 7 to 12 form part of these financial statements.

# VINE DEVELOPMENTS LIMITED


## BALANCE SHEET

31 MARCH 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	4	126,061	131,668
<b>CURRENT ASSETS</b>			
Stocks		2,216,630	1,800,884
Debtors	5	3,472,686	3,692,061
Investments	7	36,511	36,511
Cash at bank		249,347	189,216
		<u>5,975,174</u>	<u>5,718,672</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>4,436,425</u>	<u>4,037,153</u>
<b>NET CURRENT ASSETS</b>		<u>1,538,749</u>	<u>1,681,519</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,664,810</u>	<u>1,813,187</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	6	—	956
		<u>1,664,810</u>	<u>1,812,231</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	974,000	974,000
Share premium account	12	12,411	12,411
Profit and loss account		678,399	825,820
<b>SHAREHOLDERS' FUNDS</b>		<u>1,664,810</u>	<u>1,812,231</u>

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

These financial statements were approved by the directors on the 24th July 2006 and are signed on their behalf by:

  
 G. Dyke  
 Director

The notes on pages 7 to 12 form part of these financial statements.



# **VINE DEVELOPMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2006**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, Fittings & Equipment - 20% S.L.Basis (10% S.L.in year of acquisition & disposal)

#### **Investment properties**

Investment properties are accounted for in accordance with the Statement of Standard Accounting Practice No 19.No depreciation is provided in respect of such properties.Although the Companies Act 1985 would normally require the depreciation of fixed assets it is believed that this policy of not providing depreciation is necessary in order for the accounts to give a true and fair view.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# VINE DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

### 1. ACCOUNTING POLICIES *(continued)*

#### 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 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 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. 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 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.

#### 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.

### 2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2006	2005
	£	£
Directors' emoluments	312,500	10,000
Pension contributions	244,876	—
Depreciation of owned fixed assets	6,356	6,136
Auditor's fees	1,900	1,800

**VINE DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

**3. TAXATION ON ORDINARY ACTIVITIES**

	2006		2005	
	£	£	£	£
Current tax:				
UK Corporation tax based on the results for the year at 19% (2005 - 19%)		-		5,560
Total current tax		-		5,560
Deferred tax:				
Origination and reversal of timing differences (note 6)				
Capital allowances	(733)		(518)	
Losses	(33,847)		-	
Total deferred tax (note 6)		(34,580)		(518)
Tax on (loss)/profit on ordinary activities		(34,580)		5,042

**4. TANGIBLE FIXED ASSETS**

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
<b>COST</b>			
At 1 April 2005	117,845	31,415	149,260
Additions	-	749	749
<b>At 31 March 2006</b>	<b>117,845</b>	<b>32,164</b>	<b>150,009</b>
<b>DEPRECIATION</b>			
At 1 April 2005	-	17,592	17,592
Charge for the year	-	6,356	6,356
<b>At 31 March 2006</b>	<b>-</b>	<b>23,948</b>	<b>23,948</b>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2006</b>	<b>117,845</b>	<b>8,216</b>	<b>126,061</b>
At 31 March 2005	117,845	13,823	131,668

# VINE DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

### 5. DEBTORS

	2006 £	2005 £
Other debtors	3,439,062	3,692,061
Deferred taxation (note 6)	33,624	—
	<u>3,472,686</u>	<u>3,692,061</u>

Included in other debtors are loans made in respect of current projects. The company has either legal mortgages or other security secured on the properties concerned.

### 6. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2006 £	2005 £
Included in debtors (note 5)	33,624	—
Included in provisions	—	(956)
	<u>33,624</u>	<u>(956)</u>

The movement in the deferred taxation account during the year was:

	2006 £	2005 £
Balance brought forward	(956)	(1,474)
Profit and loss account movement arising during the year	34,580	518
Balance carried forward	<u>33,624</u>	<u>(956)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	(223)	(956)
Tax losses available	33,847	—
	<u>33,624</u>	<u>(956)</u>

### 7. INVESTMENTS

	2006 £	2005 £
Shares in group undertakings	<u>36,511</u>	<u>36,511</u>

# VINE DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

### 8. CREDITORS: Amounts falling due within one year

	2006		2005
	£	£	£
Bank loans and overdrafts	2,997,922		1,629,511
Trade creditors	98,228		115,882
Amounts owed to group undertakings	100		100
Other creditors including taxation and social security:			
Corporation tax	—		5,560
PAYE and social security	167,486		1,922
VAT	51,542		19,108
Directors loan accounts	623,000		250,000
Other creditors	484,424		2,000,240
Accruals and deferred income	13,723		14,830
	<u>1,340,175</u>		<u>2,291,660</u>
	<u>4,436,425</u>		<u>4,037,153</u>

The bank loans of £2,997,922 are secured by a legal mortgage over Heron House Hotel, Thurlestone Sands, Kingsbridge, together with guarantees from associated company, Vine Leisure Limited, and a legal mortgage over 2 apartments at Discovery Wharf, Plymouth.

### 9. CONTINGENCIES

There were no contingent liabilities as at 31st March 2006 .

# VINE DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

### 10. RELATED PARTY TRANSACTIONS

- 1) The company was under the control of Mr G.Dyke throughout the current and previous year, by virtue of the fact that he owns 98.77% of the company's issued share capital.
- 2) During the year the company received £55,000 for Marketing advice from Vine Leisure Limited (2005: £150,000). At the balance sheet date the amount owed to Vine Leisure Limited was £49,465, a company controlled by Mr.G.Dyke (2005: £1,594,239). The Bank loan is partly secured by guarantees from Vine Leisure Limited.
- 3) During the year the company received £110,000 for office services & project advice from Gregory Dyke Services. (2005:£70,000)
- 4) Mr.G.Dyke made various loans to the company in the year. The amount outstanding at the balance sheet date was £623,000 (2005:£250,000)
- 5) To maximise advantages from pending changes to pension fund legislation, following advice received, G.Dyke was paid total director's remuneration of £307,500 during the year (2005:£5000), and a further £244,876 was paid into his pension fund.
- 6) At the balance sheet date the company owed £100 to its group company, Vine Productions Limited. (2004: £100)

All of the above were commercial transactions carried out at arms length.

### 11. SHARE CAPITAL

#### Authorised share capital:

	2006 £	2005 £
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

#### Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>974,000</u>	<u>974,000</u>	<u>974,000</u>	<u>974,000</u>

### 12. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

### 13. POST BALANCE SHEET EVENTS

The company received £992,000 of the loan made to the Alto project, after the year end. (included in other debtors).

Also since the balance sheet date the directors loan account was repaid in full.