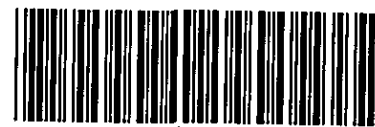


**REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2012
FOR**

P. J. LIVESEY HOLDINGS LIMITED

Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

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P. J LIVESEY HOLDINGS LIMITED
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FOR THE YEAR ENDED 30TH JUNE 2012

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P. J. LIVESEY HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2012

DIRECTORS:

Mr P J Livesey
Mrs D A Livesey
Mr R Brocklehurst
Mr J W Allcock
Mr P G Richardson
Mrs G A Livesey-Daniels

SECRETARY:

Mrs D A Livesey

REGISTERED OFFICE:

Ashburton Park
Ashburton Road West
Trafford Park
Manchester
M17 1AF

REGISTERED NUMBER:

03195231

AUDITOR

Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

BANKERS

National Westminster Bank Plc
Spinningfield Square Branch
182 Deansgate
Manchester
M3 3LY

Bank of Scotland plc
1st Floor
Tootal House
19 – 21 Spring Gardens
Manchester
M2 1FB

P J. LIVESEY HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2012

The Directors present their report together with the financial statements of the Company and the Group for the year ended 30th June 2012

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was the construction and development of residential properties

REVIEW OF BUSINESS

The results for the year and financial position of the Group are as shown in the annexed financial statements

Due to the continued severe slowdown in the housing market, the Group incurred a loss of £1,093,927 compared to a loss of £6,529,663 last year. Net assets have fallen to £26,772,682 from £27,348,652 and current assets have increased to £23,650,133 from £16,596,103

At the beginning of the year, the Company disposed of investments in two subsidiaries which operated gyms

The major risks and uncertainties facing the Group are related to the future of the property market, availability of suitable sites and the availability of finance. The Directors believe that as a result of the timely action that they have taken, the Group is in a strong position to benefit when the property market improves

DIVIDENDS

The Directors do not recommend the payment of any dividend

FUTURE DEVELOPMENTS

No significant changes to the Group's business are anticipated

RESEARCH AND DEVELOPMENT

The Group continues to develop improved building techniques

DIRECTORS

The Directors who served during the year were as follows

Mr P J Livesey
Mrs D A Livesey
Mr R Brocklehurst
Mr J W Allcock
Mr P G Richardson
Mrs G A Livesey-Daniels

EMPLOYEES

The Group encourages employment, training, career development and promotion of disabled people. The Group aims to develop good communication with employees and consultation is encouraged

P. J. LIVESEY HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors 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 Group and of the profit or loss of the Group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

The auditors, Ainsworths Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



Mrs D A Livesey – Secretary

Date 15th March 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF P.J. LIVESEY HOLDINGS LIMITED

We have audited the financial statements of P J Livesey Holdings Limited for the year ended 30th June 2012 on pages five to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 and express an opinion on 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 Group's and the parent 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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30th June 2012 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent Company or returns adequate for audit have not been received from branches not visited by us, or
- the parent Company 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.



Paul Carney (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

Date 15th March 2013

P. J. LIVESEY HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2012**

	Notes	2012	2011
		£	£
TURNOVER			
Continuing operations	2	33,523,473	40,129,585
Discontinued operations		<u>-</u>	<u>2,107,495</u>
		33,523,473	42,237,080
Cost of sales		<u>(32,785,853)</u>	<u>(40,914,246)</u>
GROSS PROFIT		737,620	1,322,834
Distribution costs		475,914	548,698
Administrative expenses		1,226,825	2,853,843
Other operating (income)/charges		<u>(5,089)</u>	<u>1,445,709</u>
		1,697,650	4,848,250
OPERATING LOSS	3		
Continuing operations		(960,030)	(4,344,205)
Discontinued operations		<u>-</u>	<u>818,789</u>
		(960,030)	(3,525,416)
Exceptional items	7	<u>(12,002)</u>	<u>(2,977,547)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(972,032)	(6,502,963)
Interest receivable and similar income		1,744	523
Interest payable and similar charges	6	<u>(49,761)</u>	<u>(51,227)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,020,049)	(6,553,667)
Tax on loss on ordinary activities	8	<u>73,878</u>	<u>(24,004)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION	20	<u>(1,093,927)</u>	<u>(6,529,663)</u>

The notes form part of these financial statements

P. J. LIVESEY HOLDINGS LIMITED (Company Number 03195231)

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	10	3,139,853	10,887,520
CURRENT ASSETS			
Stocks	13	30,592,976	38,773,366
Debtors	14	10,842,529	6,871,582
Cash at bank and in hand		<u>1,736,001</u>	<u>1,412,982</u>
		43,171,506	47,057,930
CREDITORS: amounts falling due within one year	15	<u>19,521,373</u>	<u>30,461,827</u>
NET CURRENT ASSETS		<u>23,650,133</u>	<u>16,596,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		26,789,986	27,483,623
CREDITORS: amounts falling due after more than one year	15	17,304	134,971
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	18	<u>-</u>	<u>-</u>
		<u>26,772,682</u>	<u>27,348,652</u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Reserves	20	<u>26,772,582</u>	<u>27,348,552</u>
SHAREHOLDERS' FUNDS	21	<u>26,772,682</u>	<u>27,348,652</u>

The financial statements were approved by the Board of Directors on 15th March 2013 and were signed on its behalf by

Mr P J Livesey - Director



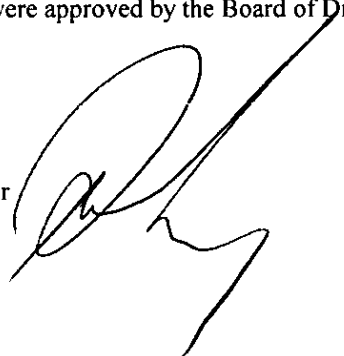
P. J LIVESEY HOLDINGS LIMITED (Company Number 03195231)

COMPANY BALANCE SHEET AS AT 30TH JUNE 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	11	1,656,509	1,951,878
Investments	12	<u>61</u>	<u>65</u>
		1,656,570	1,951,943
CURRENT ASSETS			
Stocks	13	560,841	877,016
Debtors	14	33,715,888	42,688,809
Cash in hand		<u>3,266</u>	<u>3,033</u>
		34,279,995	43,568,858
CREDITORS: amounts falling due within one year	15	<u>5,566,007</u>	<u>12,879,098</u>
NET CURRENT ASSETS		<u>28,713,988</u>	<u>30,689,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		30,370,558	32,641,703
CREDITORS: amounts falling due after more than one year	15	17,304	134,971
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	18	<u>-</u>	<u>-</u>
		<u>30,353,254</u>	<u>32,506,732</u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Reserves	20	<u>30,353,154</u>	<u>32,506,632</u>
SHAREHOLDERS' FUNDS	21	<u>30,353,254</u>	<u>32,506,732</u>

The financial statements were approved by the Board of Directors on 15th March 2013 and were signed on its behalf by

Mr P J Livesey – Director



The notes form part of these financial statements

P. J. LIVESEY HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2012

	2012		2011	
	£	£	£	£
Net cash inflow from operating activities (note 27)		6,537,355		23,311,079
Returns on investments and servicing of finance				
Interest received	1,744		523	
Interest paid	(49,761)	(48,017)	(51,227)	(50,704)
Taxation paid		1,821		(124,359)
Capital expenditure				
Payments to acquire tangible fixed assets	(112,149)		(467,094)	
Receipts from sales of tangible fixed assets	1,179,009		-	
Sale proceeds from sale of subsidiaries	<u>4,656,497</u>	<u>5,723,357</u>	<u>1,964,504</u>	<u>1,497,410</u>
Increase in cash flow before financing		12,214,516		24,633,426
Financing				
Decrease in bank loans	(8,998,115)		(30,684,512)	
Decrease in finance leases and hire purchase contracts	(151,237)	(9,149,352)	(7,652)	(30,692,164)
Increase/(Decrease) in cash (note 28)		<u>3,065,164</u>		<u>(6,058,738)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012	2011
	£	£
Increase/(Decrease) in cash in the year	3,065,164	(6,058,738)
Cash inflow from decrease in net debt and lease financing	<u>9,149,352</u>	<u>30,692,164</u>
Decrease in net debt	12,214,516	24,633,426
Net debt brought forward	(22,013,600)	(46,647,026)
Net debt carried forward	<u>(9,799,084)</u>	<u>(22,013,600)</u>

The notes form part of these financial statements

P. J. LIVESEY HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED
GAINS AND LOSSES
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	£	£
Loss for the year	(1,093,927)	(6,529,663)
Revaluation (losses)	(250,005)	(123,285)
Disposal of subsidiaries	<u>767,962</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>(575,970)</u>	<u>(6,652,948)</u>

The notes form part of these financial statements

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention (with the exception of certain assets which are included at valuation) and have been prepared in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements include the Company and all its subsidiary undertakings. Inter group sales and profits are eliminated fully on consolidation.

Turnover

Turnover relates to ordinary activities and represents the contract sale price of properties exchanged, sale of goods and services to third parties and excludes value added tax.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold buildings	2% straight line
Leasehold improvements	5% - 12.5% reducing balance
Plant and equipment	15 - 25% straight line
Fixtures and fittings	20% straight line
Motor vehicles	25% straight line

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities unless the profit or losses are exceptional.

Investment properties

The cost of freehold ground rents and similar licences is included in the accounts as investment properties at the point at which it can be accurately ascertained. Until then the cost of ground rents acquired is retained in stocks.

In accordance with the Statements of Standard Accounting Practice 19, certain of the company's freehold ground rents are held for long term investment and are included in the Balance Sheet at their open market values. Depreciation is not provided in respect of freehold ground rents.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the accounts may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stock and work-in-progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of overheads.

Net realisable value is based on estimated selling price less all further costs to completion and disposal.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised and the liability included under creditors. Finance charges are charged to profit and loss account as incurred.

Operating leases

Rentals under operating leases are charged and credited to the profit and loss account in the period in which they are incurred or receivable.

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

Contribution to pension funds

The Company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. TURNOVER

The turnover and loss before taxation are mainly attributable to the principal activity of the Group.

Turnover is all in the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets	55,834	469,156
Loss on sale of fixed assets	12,002	-
Impairment of investment property	-	28,285
Hire of plant and machinery	156,546	394,631
Other operating leases	299,821	373,491
Auditors' remuneration (Company £2,000 - 2011 - £2,000)	26,800	26,000
Other services relating to taxation	<u>1,200</u>	<u>2,000</u>

4. STAFF COSTS (including Directors)

The average monthly number of employees, including Directors, during the year was as follows

	2012	2011
Office and management	59	93
Production and sales	<u>45</u>	<u>87</u>
	<u>104</u>	<u>180</u>

Staff costs incurred during the year in respect of these employees were

	2012 £	2011 £
Wages and salaries	3,757,907	4,529,834
Social security costs	404,505	475,484
Other pension costs	-	-
	<u>4,162,412</u>	<u>5,005,318</u>

5. DIRECTORS' REMUNERATION

	2012 £	2011 £
Aggregate emoluments	805,765	803,732
Directors' pension contributions under defined contribution schemes	-	-
	<u>805,765</u>	<u>803,732</u>

The Directors' remuneration was wholly in their executive capacity.
Retirement benefits were accruing to Directors under schemes as follows

	2012 Number	2011 Number
Defined contribution pension scheme	<u>3</u>	<u>3</u>

Amounts attributable to highest paid Director

	2012 £	2011 £
Highest paid Director – aggregate emoluments	<u>152,549</u>	<u>164,055</u>
Defined contribution pension scheme contributions paid included in emoluments above	<u>-</u>	<u>-</u>

No shares were received or are receivable by the highest paid Director in respect of qualifying services under a long term incentive scheme.

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Other interest	41,130	35,966
On finance leases and hire purchase contracts	<u>8,631</u>	<u>15,261</u>
	<u>49,761</u>	<u>51,227</u>

7. EXCEPTIONAL ITEMS

The exceptional item comprises £12,002 loss on disposal of ground rents (2011 - £319,569) In 2011 the balance of £2,657,978 was in respect of the impairment of two subsidiaries sold post year end

8. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2012 £	2011 £
Corporation tax - current charge	-	-
Underprovision in previous year	73,878	52,134
Deferred tax	<u>-</u>	<u>(76,138)</u>
	<u>73,878</u>	<u>(24,004)</u>

Factors affecting the tax charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK The difference is explained below

	2012 £	2011 £
Loss on ordinary activities before tax	(1,020,049)	(6,553,667)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 % (2011 - 26%)	(244,812)	(1,703,953)
Effects of		
Expenses not deductible for tax purposes	6,311	17,042
Depreciation higher/(lower) than capital allowances	(6,006)	19,641
Change in tax rate	-	(89,139)
Loss on disposal of fixed assets	2,809	83,579
Tax losses carried forward	242,519	977,226
Impairment of investments	-	691,074
Other items	(821)	4,530
Current tax charge	<u>-</u>	<u>-</u>

Tax losses of approximately £8 million are available to carry forward against future trading profits

9. PROFIT FOR THE FINANCIAL YEAR

As permitted by section 408 of the Companies Act 2006, the parent Company's profit and loss account has not been included in these financial statements The parent Company's loss for the year was £1,093,473 (2011 loss - £4,085,151)

P. J LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

10. TANGIBLE FIXED ASSETS – GROUP

	Investment Property £	Freehold Property £	Leasehold improvements £	Workshop plant & equipment £	Office fixtures & fittings £	Site vehicles, plant & machinery £	Motor vehicles £	Total £
COST/VALUATION:								
At 1 7 11	3,176,717	5,066,463	4,156,374	1,120,245	1,220,770	283,077	3,273	15,026,919
Additions	97,750	-	-	5,795	8,604	-	-	112,149
Impairments	-	(496,463)	-	-	-	-	-	(496,463)
Reclassification	(610,000)	-	-	-	-	-	-	(610,000)
Disposals	(1,191,011)	(3,000,000)	(4,156,374)	(534,967)	(63,262)	-	-	(8,945,614)
At 30 6 12	<u>1,473,456</u>	<u>1,570,000</u>	<u>-</u>	<u>591,073</u>	<u>1,166,112</u>	<u>283,077</u>	<u>3,273</u>	<u>5,086,991</u>
DEPRECIATION:								
At 1 7 11	-	246,460	1,438,964	1,074,445	1,113,355	262,902	3,273	4,139,399
Charge for year	-	-	-	5,665	35,077	15,092	-	55,834
Revaluation	-	(246,460)	-	-	-	-	-	(246,460)
Eliminated on disposal	-	-	(1,438,964)	(499,409)	(63,262)	-	-	(2,001,635)
At 30 6 12	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,701</u>	<u>1,085,170</u>	<u>277,994</u>	<u>3,273</u>	<u>1,947,138</u>
NET BOOK VALUE								
At 30 6 12	<u>1,473,456</u>	<u>1,570,000</u>	<u>-</u>	<u>10,372</u>	<u>80,942</u>	<u>5,083</u>	<u>-</u>	<u>3,139,853</u>
At 30 6 11	<u>3,176,717</u>	<u>4,820,003</u>	<u>2,717,410</u>	<u>45,800</u>	<u>107,415</u>	<u>20,175</u>	<u>-</u>	<u>10,887,520</u>
Analysis of cost/valuation								
Valuation – 2012	1,473,456	1,570,000	-	-	-	-	-	3,043,456
Cost	-	-	-	591,073	1,166,112	283,077	3,273	2,043,535
	<u>1,473,456</u>	<u>1,570,000</u>	<u>-</u>	<u>591,073</u>	<u>1,166,112</u>	<u>283,077</u>	<u>3,273</u>	<u>5,086,991</u>

Freehold property was professionally valued as at 30th June 2012 at £1,570,000, on the basis of Open Market Value with vacant possession as defined by the Royal Institution of Chartered Surveyors Appraisal & Valuation Manual by Chartered Surveyors

The original cost of the freehold land and buildings was £920,027

The investment properties comprising freehold ground rents and similar licences were valued at £1,473,456 by the Directors at 30th June 2012 which they believe represents open market value

Included in the above are assets held under finance leases and acquired under hire purchase contracts as follows

Cost	£ <u>120,602</u>
Accumulated depreciation	£ <u>54,413</u>
Depreciation charge for year	£ <u>24,120</u>

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

11 TANGIBLE FIXED ASSETS – COMPANY

	Freehold property £	Workshop plant & equipment £	Office fixtures & fittings £	Site vehicles, plant & machinery £	Motor vehicles £	Total £
COST/VALUATION:						
At 1 7 11	2,066,463	530,025	1,191,523	283,077	3,273	4,074,361
Additions	-	-	8,604	-	-	8,604
Disposals	-	(145,218)	(63,262)	-	-	(208,480)
Impairments	(496,463)	-	-	-	-	(496,463)
At 30 6 12	<u>1,570,000</u>	<u>384,807</u>	<u>1,136,865</u>	<u>283,077</u>	<u>3,273</u>	<u>3,378,022</u>
DEPRECIATION						
At 1 7 11	246,460	526,224	1,083,624	262,902	3,273	2,122,483
Charge for year	-	3,801	35,077	15,092	-	53,970
Disposals	-	(145,218)	(63,262)	-	-	(208,480)
Impairments	(246,460)	-	-	-	-	(246,460)
At 30 6 12	<u>-</u>	<u>384,807</u>	<u>1,055,439</u>	<u>277,994</u>	<u>3,273</u>	<u>1,721,513</u>
NET BOOK VALUE						
At 30 6 12	<u>1,570,000</u>	<u>-</u>	<u>81,426</u>	<u>5,083</u>	<u>-</u>	<u>1,656,509</u>
At 30 6 11	<u>1,820,003</u>	<u>3,801</u>	<u>107,899</u>	<u>20,175</u>	<u>-</u>	<u>1,951,878</u>
Analysis of cost/valuation						
Valuation – 2011	1,570,000	-	-	-	-	1,570,000
Cost	-	384,807	1,136,865	283,077	3,273	1,808,022
	<u>1,570,000</u>	<u>384,807</u>	<u>1,136,865</u>	<u>283,077</u>	<u>3,273</u>	<u>3,378,022</u>

Included in the above are assets held under finance lease and acquired under hire purchase contracts as follows

Cost	£ <u>120,602</u>
Accumulated depreciation	£ <u>54,413</u>
Depreciation charge for year	£ <u>24,120</u>

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

12. FIXED ASSET INVESTMENTS

Investments in subsidiaries comprise the cost of investments in subsidiary undertakings
Details of principal subsidiary undertakings are as follows -

<u>Name of Company</u>	<u>Proportion of nominal value of issued shares held</u>	<u>Principle activity</u>
P J Livesey South Limited	100%	Intermediary holding company
P J Livesey North Limited	100%	Intermediary holding company
P J Livesey (Manufacturing) Limited	100%	Manufacture of fitted furniture
P J Livesey Living Space Limited	100%	Construction & development of residential properties
P J Livesey Country Homes Limited	100%	Construction & development of residential properties
P J Livesey Country Homes (Merseyside) Limited	100%	Construction & development of residential properties
P J Livesey Country Homes (Southern) Limited	100%	Construction & development of residential properties
P J Livesey Country Homes (Eastern) Limited	100%	Construction & development of residential properties
P J Livesey Country Homes (Wales) Limited	100%	Construction & development of residential properties
P J Livesey Rural Heritage Limited	100%	Construction & development of residential properties
P J Livesey Rural Heritage (Yorkshire) Limited	100%	Construction & development of residential properties
P J Livesey Heritage Homes North West Limited	100%	Construction & development of residential properties
P J Livesey Living Space (North) Limited	100%	Construction & development of residential properties
P J Livesey (Midlands) Limited	100%	Construction & development of residential properties
P J Livesey London Limited	100%	Construction & development of residential properties
P J Livesey South Eastern Limited	100%	Construction & development of residential properties
P J Livesey Living Space (1) Limited	100%	Construction & development of residential properties
P J Livesey Living Space (3) Limited	100%	Construction & development of residential properties
P J Livesey Helmshore Limited	100%	Construction & development of residential properties

All the shares held are ordinary shares

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

13.	STOCKS	Group		Company	
		2012 £	2011 £	2012 £	2011 £
	Raw materials and consumables	61,109	85,155	-	-
	Work-in-progress	<u>30,531,867</u>	<u>38,688,211</u>	<u>560,841</u>	<u>877,016</u>
		<u>30,592,976</u>	<u>38,773,366</u>	<u>560,841</u>	<u>877,016</u>

Stocks include interest capitalised on borrowings related to the properties concerned

14	DEBTORS	Group		Company	
		2012 £	2011 £	2012 £	2011 £
	Trade debtors	8,531,392	4,539,571	3,997	29,323
	Other debtors	302,788	352,780	187,284	311,322
	Amounts owed by subsidiary undertakings	-	-	32,991,843	44,251,330
	Provision for losses on disposal	-	-	-	(2,382,986)
	Prepayments and accrued income	<u>535,616</u>	<u>636,520</u>	<u>532,764</u>	<u>479,820</u>
		9,369,796	5,528,871	33,715,888	42,688,809
	Amounts falling due after more than one year				
	Trade debtors	<u>1,472,733</u>	<u>1,342,711</u>	-	-
	Aggregate amounts	<u>10,842,529</u>	<u>6,871,582</u>	<u>33,715,888</u>	<u>42,688,809</u>

15 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade creditors	7,208,287	3,156,081	3,642,811	3,002,037
Social security and other taxes	284,237	240,344	268,217	229,147
Obligations under hire purchase contracts and finance leases (note 16)	30,944	64,514	30,944	64,514
Bank loans – current instalments (see below)	10,341,315	19,339,430	436,416	9,311,152
Accruals and deferred income	511,068	1,330,847	112,572	272,248
Bank overdrafts (see below)	1,145,522	3,887,667	1,075,047	-
Taxation	-	59,958	-	-
Provision for losses on disposal	-	<u>2,382,986</u>	-	-
	<u>19,521,373</u>	<u>30,461,827</u>	<u>5,566,007</u>	<u>12,879,098</u>

CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Obligations under hire purchase contracts and finance leases (note 16)	<u>17,304</u>	<u>134,971</u>	<u>17,304</u>	<u>134,971</u>
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The bank loans and overdrafts are secured by way of First Legal Charges over properties included in fixed assets and work in progress. In the case of Bank of Scotland plc, provider of loan finance only, all charges are secured on the assets to which they relate. The bank loans and overdrafts bear interest at various rates including 2.75% per annum above LIBOR and 2% and 4.25% over base rate, and are repayable at variable amounts linked mainly to the sale of completed properties. As the timing of repayments is linked to the sale of properties it is not possible to accurately calculate the amounts which fall to be repaid in more than one year and all loans have been disclosed as due within one year.

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

16. OBLIGATIONS UNDER FINANCE LEASE AND HIRE PURCHASE CONTRACTS

	Group & Company 2012 £	Group & Company 2011 £
Within one year	39,575	81,675
Between two and five years	<u>21,993</u>	<u>170,326</u>
	61,568	252,001
<u>Less</u> finance charges allocated to future periods	<u>13,320</u>	<u>52,516</u>
	48,248	199,485
<u>Less</u> current obligations	<u>30,944</u>	<u>64,514</u>
Between two and five years	<u>17,304</u>	<u>134,971</u>

Finance leases and hire purchase contracts are secured on the assets to which they relate

17. OBLIGATIONS UNDER OPERATING LEASES

There are obligations under operating leases as follows

	Group & Company			
	Property Leases		Other Operating Leases	
	2012 £	2011 £	2012 £	2011 £
Annual commitment under operating leases expiring				
Within one year	-	-	6,270	47,182
Between two and five years	<u>-</u>	<u>-</u>	<u>252,228</u>	<u>122,172</u>
	<u>-</u>	<u>-</u>	<u>258,498</u>	<u>169,354</u>

18. DEFERRED TAXATION

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
The amounts of deferred taxation provided in the financial statements are as follows				
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The movement comprises -				
At 1st July 2011	-	76,138	-	74,028
Movement in year	<u>-</u>	<u>(76,138)</u>	<u>-</u>	<u>(74,028)</u>
At 30th June 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

P J LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

19. CALLED UP SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

20. RESERVES

GROUP

Movements in reserves were as follows

	Revaluation reserve £	Profit & loss account £	Total £
At 1 st July 2011	1,421,190	25,927,362	27,348,552
Loss for the year	-	(1,093,927)	(1,093,927)
Revaluation	(428,020)	178,015	(250,005)
Transfer	(12,725)	12,725	-
Disposal of subsidiaries	-	767,962	767,962
At 30 th June 2012	<u>980,445</u>	<u>25,792,137</u>	<u>26,772,582</u>

COMPANY

	Revaluation reserve £	Profit & loss account £	Total £
At 1 st July 2011	911,048	31,595,584	32,506,632
Loss for the year	-	(1,903,473)	(1,903,473)
Revaluation	(250,005)	-	(250,005)
Transfer	(12,725)	12,725	-
At 30 th June 2012	<u>648,318</u>	<u>29,704,836</u>	<u>30,353,154</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
At 1 st July 2011 – equity interests	27,348,652	34,001,600	32,506,732	36,591,883
Loss for the year	(1,093,927)	(6,529,663)	(1,903,473)	(4,085,151)
Revaluation	(250,005)	(123,285)	(250,005)	-
Disposal of subsidiaries	<u>767,962</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 th June 2012 – equity interests	<u>26,772,682</u>	<u>27,348,652</u>	<u>30,353,254</u>	<u>32,506,732</u>

22. CONTINGENT LIABILITIES – GROUP

If the freehold and investment property included in the financial statements at valuation were to be realised at the revalued amount a capital gains tax liability of approximately £34,000 (2011 - £400,000) would arise

23. CONTINGENT LIABILITIES – COMPANY

The Company has guaranteed the bank borrowings of its subsidiaries which amounted to £8,242,636 (2011 - £12,562,461) at the balance sheet date

If the freehold property included in the financial statements at valuation were to be realised at the revalued amount a capital gains tax liability of approximately £30,000 (2011 - £320,000) would arise

P. J LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2012 (CONTINUED)

24. RELATED PARTY DISCLOSURES

Mrs G A Livesey-Daniels, a director, purchased a property from a group company during the year. The purchase was made at an arms length value.

25. POST BALANCE SHEET EVENTS

Subsequent to the year end a group company paid a penalty of approximately £120,000 in relation to an incident in 2009. This amount was not provided for in the accounts at 30th June 2012, as, at that date, the directors had no reason to expect this liability.

26. PENSION SCHEME

The Company operates a defined contribution scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the Company.

The total contribution paid in the year amounted to £nil (2011- £Nil)

27. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating loss	(972,032)	(6,502,963)
Depreciation charges	55,834	469,156
Impairment of equipment	-	151,453
Impairment of investment property	-	28,285
Reclassification of investment property	-	(3,610,000)
Loss on sale of tangible fixed assets	12,002	364,586
Decrease in stocks	8,180,390	24,433,426
(Increase)/decrease in debtors	(3,970,947)	7,825,588
Increase in creditors	<u>3,232,108</u>	<u>151,548</u>
Net cash inflow from operating activities	<u>6,537,355</u>	<u>23,311,079</u>

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st July 2011 £	Cash flows £	At 30 th June 2012 £
Cash in hand and at bank	1,412,982	323,019	1,736,001
Overdrafts	<u>(3,887,667)</u>	<u>2,742,145</u>	<u>(1,145,522)</u>
	<u>(2,474,685)</u>	<u>3,065,164</u>	<u>590,479</u>
Debt due within 1 year	(19,339,430)	8,998,115	(10,341,315)
Finance leases	<u>(199,485)</u>	<u>151,237</u>	<u>(48,248)</u>
	<u>(19,538,915)</u>	<u>9,149,352</u>	<u>(10,389,563)</u>
	<u>(22,013,600)</u>	<u>12,214,516</u>	<u>(9,799,084)</u>

29. ULTIMATE CONTROLLING PARTY

Together, Mr P J Livesey and Mrs D A Livesey control the company.