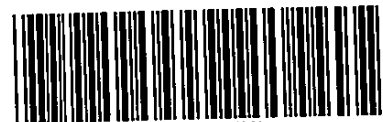


**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2010
FOR**

P. J. LIVESEY HOLDINGS LIMITED

Ainsworths Limited
Chartered Accountants
and Registered 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 2010

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P. J. LIVESEY HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2010

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:	3195231
AUDITOR:	Ainsworths Limited Chartered Accountants and Registered 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 1 st 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 2010

The Directors present their report together with the financial statements of the Group for the year ended 30th June 2010

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, a loss after tax of £3,994,167 was incurred compared to a profit of £15,391 last year. The loss has been the main cause for a decrease in net assets to £34,001,600 from £37,877,620 and current assets have fallen to £24,325,725 from £27,615,214

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 was appointed as a director on 24th September 2009

FIXED ASSETS

In the opinion of the Directors, the market value of the Group's freehold property is not materially in excess of that shown in the financial statements in relation to its use in the Group's trade

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 2010 (CONTINUED)

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing 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 transactions and 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 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 28th March 2011

**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 2010 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 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.

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 2010 and of the Group's loss for the year then ended,
- the group financial statements 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 28th March 2011

P. J. LIVESEY HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2010

	Notes	2010		2009
		£	£	£
TURNOVER	2	50,603,147		28,069,967
Cost of sales		<u>50,127,279</u>		<u>23,861,407</u>
GROSS PROFIT		475,868		4,208,560
Distribution costs		588,307		618,366
Administrative expenses		2,316,222		1,953,495
Other operating charges		<u>1,416,949</u>		<u>1,620,322</u>
		4,321,478		4,192,183
OPERATING (LOSS)/PROFIT	3	(3,845,610)		16,377
Interest receivable and similar income	6	1,246		16,451
Interest payable and similar charges	7	(59,950)		(13,917)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,904,314)		18,911
Tax on (loss)/profit on ordinary activities	8	<u>89,853</u>		<u>3,520</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	20	<u>(3,994,167)</u>		<u>15,391</u>

CONTINUING OPERATIONS

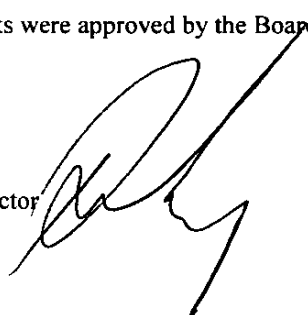
None of the Group's activities were acquired or discontinued during the current or previous year

P. J LIVESEY HOLDINGS LIMITED (Company Number 3195231)
CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 2010

	Notes	£	2010	£	£	2009	£
FIXED ASSETS							
Tangible assets	10			9,911,695			10,338,544
CURRENT ASSETS							
Stocks	13	63,206,792				88,066,553	
Debtors	14	14,697,170				11,490,336	
Cash at bank and in hand		<u>3,595,997</u>				<u>1,241,437</u>	
		81,499,959				100,798,326	
CREDITORS: amounts falling due within one year	15	<u>57,174,234</u>				<u>73,183,112</u>	
NET CURRENT ASSETS				<u>24,325,725</u>			<u>27,615,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				34,237,420			37,953,758
CREDITORS: amounts falling due after more than one year	15			159,682			-
PROVISION FOR LIABILITIES AND CHARGES							
Deferred taxation	18			<u>76,138</u>			<u>76,138</u>
				<u>34,001,600</u>			<u>37,877,620</u>
CAPITAL AND RESERVES							
Called up share capital	19			100			100
Reserves	20			<u>34,001,500</u>			<u>37,877,520</u>
SHAREHOLDERS' FUNDS	21			<u>34,001,600</u>			<u>37,877,620</u>

The financial statements were approved by the Board of Directors on 28th March 2011 and were signed on its behalf by

Mr P J Livesey - Director



The notes form part of these financial statements

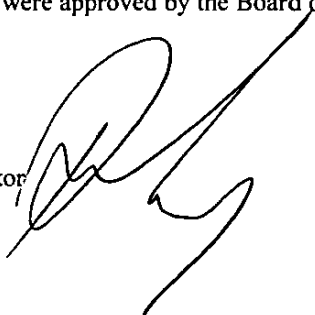
P. J. LIVESEY HOLDINGS LIMITED (Company Number 3195231)

COMPANY BALANCE SHEET AS AT 30TH JUNE 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	11	2,197,214	2,135,656
Investments	12	<u>63</u>	<u>65</u>
		2,197,277	2,135,721
CURRENT ASSETS			
Stocks	13	666,057	940,259
Debtors	14	68,937,412	36,014,018
Cash in hand		<u>2,228,008</u>	<u>2,481</u>
		71,831,477	36,956,758
CREDITORS: amounts falling due within one year	15	<u>37,203,161</u>	<u>4,058,177</u>
NET CURRENT ASSETS		<u>34,628,316</u>	<u>32,898,581</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		36,825,593	35,034,302
CREDITORS: amounts falling due after more than one year	15	159,682	-
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	18	<u>74,028</u>	<u>74,028</u>
		<u>36,591,883</u>	<u>34,960,274</u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Reserves	20	<u>36,591,783</u>	<u>34,960,174</u>
SHAREHOLDERS' FUNDS	21	<u>36,591,883</u>	<u>34,960,274</u>

The financial statements were approved by the Board of Directors on 28th March 2011 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 2010

	2010		2009
	£	£	£
Net cash inflow from operating activities (note 25)	18,867,953		5,254,225
Returns on investments and servicing of finance			
Interest received	1,246		16,451
Interest paid	(59,950)	(58,704)	(13,917)
Taxation paid		(1,106,188)	(163,821)
Capital expenditure			
Payments to acquire tangible fixed assets	(227,503)		(248,140)
Receipts from sales of tangible fixed assets	8,700	(218,803)	-
Decrease in cash flow before financing	17,484,258		4,844,798
Financing			
Decrease in bank loans	(13,693,684)		(7,958,712)
Increase/(decrease) in finance leases and hire purchase contracts	30,294	(13,663,390)	(15,096)
Increase/(decrease) in cash (note 26)	<u>3,820,868</u>		<u>(3,129,010)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010	2009
	£	£
Increase/(decrease) in cash in the year	3,820,868	(3,129,010)
Cash inflow from decrease in net debt and lease financing	<u>13,663,390</u>	<u>7,973,808</u>
Decrease in net debt	17,484,258	4,844,798
Net debt brought forward	(63,971,602)	(68,816,400)
Net debt carried forward	<u>(46,487,344)</u>	<u>(63,971,602)</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 2010

	2010	2009
	£	£
(Loss)/profit for the year	(3,994,167)	15,391
Revaluation gains/(losses)	<u>118,147</u>	<u>(622,412)</u>
Total recognised gains and losses relating to the year	<u>(3,876,020)</u>	<u>(607,021)</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 2010

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.

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 2010 (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)/profit before taxation are mainly attributable to the principal activity of the Group.

Turnover is all in the United Kingdom.

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2010	2009
	£	£
Depreciation of tangible fixed assets	493,099	514,557
Profit on sale of fixed assets	8,700	-
Reclassification and impairment of investment property	279,400	198,987
Hire of plant and machinery	288,385	404,075
Other operating leases	445,766	429,981
Auditors' remuneration (Company £3,500 - 2009 - £3,100)	28,000	28,000
Other services relating to taxation	<u>2,000</u>	<u>1,000</u>

4. STAFF COSTS (including Directors)

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

	2010	2009
	£	£
Office and management	88	76
Production and sales	<u>89</u>	<u>84</u>
	<u>177</u>	<u>160</u>

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

	2010	2009
	£	£
Wages and salaries	4,822,102	4,762,890
Social security costs	494,417	485,506
Other pension costs	-	28,517
	<u>5,316,519</u>	<u>5,279,913</u>

5. DIRECTORS' REMUNERATION

	2010	2009
	£	£
Aggregate emoluments	763,153	692,245
Directors' pension contributions under defined contribution schemes	-	12,092
	<u>763,153</u>	<u>704,337</u>

The Directors' remuneration was wholly in their executive capacity.

Retirement benefits were accruing to Directors under schemes as follows

	2010	2009
	Number	Number
Defined contribution pension scheme	<u>3</u>	<u>3</u>

Amounts attributable to highest paid Director

	2010	2009
	£	£
Highest paid Director – aggregate emoluments	<u>152,978</u>	<u>156,708</u>
Defined contribution pension scheme contributions paid included in emoluments above	<u>-</u>	<u>4,217</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 2010 (CONTINUED)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

2010 £	2009 £
Other interest	16,451
<u>1,246</u>	<u>16,451</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

2010 £	2009 £
Other interest	6,698
On finance leases and hire purchase contracts	7,219
<u>59,950</u>	<u>13,917</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the (loss)/profit on ordinary activities for the year was as follows

	2010 £	2009 £
Corporation tax	120,000	3,520
Overprovision in previous year	(30,147)	-
	<u>89,853</u>	<u>3,520</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

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(3,904,314)	18,911
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28 % (2009 - 28%)	(1,093,208)	5,295
Effects of		
Expenses not deductible for tax purposes	28,759	30,086
Depreciation lower than capital allowances	(28,645)	(1,659)
Utilisation of tax losses brought forward	(261)	(52,592)
Tax losses carried forward	1,093,355	-
Tax payable by non wholly owned subsidiary	120,000	-
Other items	(30,147)	22,390
Current tax charge	<u>89,853</u>	<u>3,520</u>

Tax losses of approximately £3.9 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 profit for the year was £1,631,609 (2009 loss - £215,779)

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010 (CONTINUED)

10. TANGIBLE FIXED ASSETS – GROUP

COST/VALUATION:	Investment Property £	Freehold Property £	Leasehold improvements £	Workshop plant & equipment £	Office fixtures & fittings £	Site vehicles, plant & machinery £	Motor vehicles £	Total £
At 1 7 09	4,808,630	2,066,463	4,156,374	1,156,539	1,105,897	283,077	3,273	13,580,253
Additions	-	-	-	174,391	53,112	-	-	227,503
Revaluations	118,147	-	-	-	-	-	-	118,147
Transfers	(279,400)	-	-	-	-	-	-	(279,400)
Disposals	-	-	-	(64,565)	-	-	-	(64,565)
At 30 6 10	<u>4,647,377</u>	<u>2,066,463</u>	<u>4,156,374</u>	<u>1,266,365</u>	<u>1,159,009</u>	<u>283,077</u>	<u>3,273</u>	<u>13,581,938</u>
DEPRECIATION								
At 1 7 09	-	175,801	1,020,111	838,508	988,677	215,339	3,273	3,241,709
Charge for year	-	35,329	209,427	158,860	62,868	26,615	-	493,099
Disposals	-	-	-	(64,565)	-	-	-	(64,565)
At 30 6 10	<u>-</u>	<u>211,130</u>	<u>1,229,538</u>	<u>932,803</u>	<u>1,051,545</u>	<u>241,954</u>	<u>3,273</u>	<u>3,670,243</u>
NET BOOK VALUE:								
At 30 6 10	<u>4,647,377</u>	<u>1,855,333</u>	<u>2,926,836</u>	<u>333,562</u>	<u>107,464</u>	<u>41,123</u>	<u>-</u>	<u>9,911,695</u>
At 30 6 09	<u>4,808,630</u>	<u>1,890,662</u>	<u>3,136,263</u>	<u>318,031</u>	<u>117,220</u>	<u>67,738</u>	<u>-</u>	<u>10,338,544</u>
Analysis of cost/valuation								
Valuation – 2004	-	2,000,000	-	-	-	-	-	2,000,000
Valuation – 2010	4,647,377	-	-	-	-	-	-	4,647,377
Cost	-	66,463	4,156,374	1,266,365	1,159,009	283,077	3,273	6,934,561
	<u>4,647,377</u>	<u>2,066,463</u>	<u>4,156,374</u>	<u>1,266,365</u>	<u>1,159,009</u>	<u>283,077</u>	<u>3,273</u>	<u>13,581,938</u>

Freehold property was professionally valued as at 30th June 2004 at £2,000,000, 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 £774,484

The investment properties comprising freehold ground rents and similar licences were valued at £4,647,377 by the Directors at 30th June 2010 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>237,276</u>
Accumulated depreciation	£ <u>13,705</u>
Depreciation charge for year	£ <u>11,277</u>

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010 (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 09	2,066,463	572,954	1,076,650	283,077	3,273	4,002,417
Additions	-	173,089	53,112	-	-	226,201
Disposals	-	(64,565)	-	-	-	(64,565)
At 30 6 10	<u>2,066,463</u>	<u>681,478</u>	<u>1,129,762</u>	<u>283,077</u>	<u>3,273</u>	<u>4,164,053</u>
DEPRECIATION:						
At 1 7 09	175,801	513,362	958,986	215,339	3,273	1,866,761
Charge for year	35,329	39,871	62,828	26,615	-	164,643
Disposals	-	(64,565)	-	-	-	(64,565)
At 30 6 10	<u>211,130</u>	<u>488,668</u>	<u>1,021,814</u>	<u>241,954</u>	<u>3,273</u>	<u>1,966,839</u>
NET BOOK VALUE:						
At 30 6 10	<u>1,855,333</u>	<u>192,810</u>	<u>107,948</u>	<u>41,123</u>	<u>-</u>	<u>2,197,214</u>
At 30 6 09	<u>1,890,662</u>	<u>59,592</u>	<u>117,664</u>	<u>67,738</u>	<u>-</u>	<u>2,135,656</u>
Analysis of cost/valuation						
Valuation – 2004	2,000,000	-	-	-	-	2,000,000
Cost	<u>66,463</u>	<u>681,478</u>	<u>1,129,762</u>	<u>283,077</u>	<u>3,273</u>	<u>2,164,053</u>
	<u>2,066,463</u>	<u>681,478</u>	<u>1,129,762</u>	<u>283,077</u>	<u>3,273</u>	<u>4,164,053</u>

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

Cost	£ <u>237,276</u>
Accumulated depreciation	£ <u>13,705</u>
Depreciation charge for year	£ <u>11,277</u>

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010 (CONTINUED)

12. FIXED ASSET INVESTMENTS

Investments in subsidiaries comprise the cost of investments in subsidiary undertakings

No amounts have been written off

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
GL-14 Limited	50%	Operation of leisure facilities
GL-14 (Fairfield) Limited	50%	Operation of leisure facilities

All the shares held are ordinary shares

On 1st June 2010 the Company increased its holdings in each of GL-14 Limited and GL-14 (Fairfield) Limited from 50% to 100%, the shares being acquired for a total consideration of £2

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010 (CONTINUED)

13. STOCKS	2010	Group 2009	2010	Company 2009
	£	£	£	£
Raw materials and consumables	100,316	98,502	-	-
Work-in-progress	<u>63,106,476</u>	<u>87,968,051</u>	<u>666,057</u>	<u>940,259</u>
	<u>63,206,792</u>	<u>88,066,553</u>	<u>666,057</u>	<u>940,259</u>

Stocks include interest capitalised on borrowings related to the properties concerned

14. DEBTORS	2010	Group 2009	2010	Company 2009
	£	£	£	£
Trade debtors	12,576,412	9,932,782	17,282	456,356
Other debtors	462,137	204,564	419,070	204,564
Amounts owed by subsidiary undertakings	-	-	68,099,236	34,849,151
Prepayments and accrued income	<u>545,955</u>	<u>646,564</u>	<u>401,824</u>	<u>503,947</u>
	13,584,504	10,783,910	68,937,412	36,014,018
Amounts falling due after more than one year				
Trade debtors	<u>1,112,666</u>	<u>706,426</u>	-	-
Aggregate amounts	<u>14,697,170</u>	<u>11,490,336</u>	<u>68,937,412</u>	<u>36,014,018</u>

15. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	Group 2009	2010	Company 2009
	£	£	£	£
Trade creditors	6,407,969	5,883,535	2,690,880	2,286,156
Social security and other taxes	353,799	294,265	260,472	223,624
Obligations under hire purchase contracts and finance leases (note 16)	47,455	17,161	47,455	17,161
Bank loans – current instalments (see below)	50,023,942	63,717,626	34,034,977	-
Accruals and deferred income	196,942	643,755	162,851	494,176
Bank overdrafts (see below)	11,944	1,478,252	-	1,030,534
Taxation	<u>132,183</u>	<u>1,148,518</u>	<u>6,526</u>	<u>6,526</u>
	<u>57,174,234</u>	<u>73,183,112</u>	<u>37,203,161</u>	<u>4,058,177</u>

CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Obligations under hire purchase contracts and finance leases (note 16)	<u>159,682</u>	<u>-</u>	<u>159,682</u>	<u>-</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 3.75% 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 2010 (CONTINUED)

16. OBLIGATIONS UNDER FINANCE LEASE AND HIRE PURCHASE CONTRACTS

	Group & Company 2010 £	Group & Company 2009 £
Within one year	58,918	18,243
Between two and five years	<u>198,902</u>	<u>-</u>
	257,820	18,243
<u>Less</u> finance charges allocated to future periods	<u>50,683</u>	<u>1,082</u>
	207,137	17,161
<u>Less</u> current obligations	<u>47,455</u>	<u>17,161</u>
Between two and five years	<u>159,682</u>	<u>-</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			
	2010 £	Property Lease 2009 £	Other operating leases 2010 £	2009 £
Annual commitment under operating leases expiring				
Within one year	-	-	52,957	17,213
Between two and five years	<u>74,500</u>	<u>60,000</u>	<u>318,310</u>	<u>300,838</u>
	<u>74,500</u>	<u>60,000</u>	<u>371,267</u>	<u>318,051</u>

	2010 £	Property Lease 2009 £	Other operating leases 2010 £	2009 £
Annual commitment under operating leases expiring				
Within one year	-	-	52,957	17,213
Between two and five years	<u>-</u>	<u>-</u>	<u>318,310</u>	<u>300,838</u>
	<u>-</u>	<u>-</u>	<u>371,267</u>	<u>318,051</u>

18. DEFERRED TAXATION

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
The amounts of deferred taxation provided in the financial statements are as follows				
Accelerated capital allowances	<u>76,138</u>	<u>76,138</u>	<u>74,028</u>	<u>74,028</u>

There are no movements in the deferred taxation provision in either the current or previous year

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010 (CONTINUED)

19. CALLED UP SHARE CAPITAL

	2010 £	2009 £
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 2009	2,256,673	35,620,847	37,877,520
Retained (loss) for the year	-	(3,994,167)	(3,994,167)
Revaluation	118,147	-	118,147
Transfer	(12,725)	12,725	-
At 30 th June 2010	<u>2,362,095</u>	<u>31,639,405</u>	<u>34,001,500</u>

COMPANY

	Revaluation reserve £	Profit & loss account £	Total £
At 1 st July 2009	936,498	34,023,676	34,960,174
Retained loss for the year	-	1,631,609	1,631,609
Transfer	(12,725)	12,725	-
At 30 th June 2010	<u>923,773</u>	<u>35,668,010</u>	<u>36,591,783</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
At 1 st July 2009 – equity interests	37,877,620	38,484,641	34,960,274	35,176,053
Retained (loss)/profit for the year	(3,994,167)	15,391	1,631,609	(215,779)
Revaluation	<u>118,147</u>	<u>(622,412)</u>	<u>-</u>	<u>-</u>
At 30 th June 2010 – equity interests	<u>34,001,600</u>	<u>37,877,620</u>	<u>36,591,883</u>	<u>34,960,274</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 £600,000 (2009 - £600,000) would arise

Subsequent to the year ended 30th June 2009 an explosion at a subsidiary company's development site damaged a number of properties. The directors believe the costs arising from this incident are covered in full by insurance and, consequently, no liability will arise on the company

The Group is aware of one legal claim against a subsidiary company. The claim is contested and the Directors believe no liability will arise

23. CONTINGENT LIABILITIES – COMPANY

The Company has guaranteed the bank borrowings of its subsidiaries which amounted to £15,270,821 (2009 - £62,957,392) 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 £340,000 (2009 - £340,000) would arise

P. J. LIVESEY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010 (CONTINUED)

24. 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 (2009- £28,517)

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

	2010 £	2009 £
Operating (loss)/profit	(3,845,610)	16,377
Depreciation charges	493,099	514,557
Reclassification and impairment of investment property	279,400	198,987
(Profit) on sale of tangible fixed assets	(8,700)	-
Decrease in stocks	24,859,761	1,572,367
(Increase)/decrease in debtors	(3,206,834)	7,525,455
Increase/(decrease) in creditors	<u>296,837</u>	<u>(4,573,518)</u>
Net cash inflow from operating activities	<u>18,867,953</u>	<u>5,254,225</u>

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st July 2009 £	Cash flows £	At 30 th June 2010 £
Cash in hand and at bank	1,241,437	2,354,560	3,595,997
Overdrafts	<u>(1,478,252)</u>	<u>1,466,308</u>	<u>(11,944)</u>
	<u>(236,815)</u>	<u>3,820,868</u>	<u>3,584,053</u>
Debt due within 1 year	(63,717,626)	13,693,684	(50,023,942)
Finance leases	<u>(17,161)</u>	<u>(30,294)</u>	<u>(47,455)</u>
	<u>(63,734,787)</u>	<u>13,663,390</u>	<u>(50,071,397)</u>
	<u>(63,971,602)</u>	<u>17,484,258</u>	<u>(46,487,344)</u>

27. ULTIMATE CONTROLLING PARTY

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