

Gladedale (Lancashire) Limited

Annual report and financial statements for the year ended 31 December 2009

Company number: 3823032

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Gladedale (Lancashire) Limited

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Gladedale (Lancashire) Limited

Directors and advisors

Directors

Neil Fitzsimmons

Colin E Lewis

David Gaffney

Company secretary

Devendra Gandhi

(resigned 9 March 2009)

Stephen J Hirst

(resigned 18 August 2009)

Robin S Johnson

(appointed 24 March 2009, resigned 17 December 2009)

Joanne E Massey

(appointed 17 December 2009)

Registered office

Ashley House

Ashley Road

Epsom

Surrey

KT18 5AZ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Gladedale (Lancashire) Limited

Directors' report for the year ended 31 December 2009

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2009. In this report, the 'Group' means Gladedale Group Holdings Limited (formerly Terret Group Limited) and its subsidiary undertakings, the 'Residential Group' means Gladedale Residential Group Limited (formerly Terret Residential Limited) and its subsidiaries and the 'Company' means Gladedale (Lancashire) Limited.

Principal activities

The Company did not trade during the period under review.

Review of the business and future developments

The profit and loss account is set out on page 5 and shows a profit before taxation for the year of £8,000 (2008 £32,000). The directors are unable to recommend the payment of a dividend (2008 £nil). Accordingly, the retained profit for the financial year of £17,000 (2008 £32,000) has been transferred to reserves.

On 1 September 2009, as part of a Group-wide restructuring exercise, the Company and its affiliates were acquired by Gladedale Group Holdings Limited (formerly Terret Group Limited). Arising from this change of ownership, new committed bank term loan and working capital facilities have been made available by the Group's principal lender. The resultant new ownership, capital and funding structure has allowed the Company to focus on delivering operational improvements and stakeholder value.

Along with the provision of new banking facilities, all covenant and other breaches which had occurred under the previous cross-collateralised bank debt have been waived and completely extinguished.

Principal risks and uncertainties

The Company is a member of the Residential Group and its risks are disclosed in the consolidated financial statements of Gladedale Residential Group Limited (formerly Terret Residential Limited). Operational and financial risks are managed on a Residential Group basis.

Financial instruments and risk management

Working capital requirements are principally satisfied from cash generated by the Company and through funding made available from the bank facilities established by Gladedale Residential Group Limited (formerly Terret Residential Limited), whose treasury function also handles hedging arrangements.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs beyond those ascertainable from the financial statements is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors who, unless otherwise stated, served during the year and up to the date of signing the financial statements were as follows:

N Fitzsimmons	(appointed 1 June 2010)
C E Lewis	(appointed 1 June 2010)
D Gaffney	
D Lavelle	(appointed 21 August 2009, resigned 17 December 2009)
S J Hirst	(resigned 18 August 2009)
G A T Asker	(resigned 18 August 2009)
R Dipre	(resigned 9 March 2009)
D Gandhi	(resigned 9 March 2009)
J V Dipre	(resigned 9 March 2009)

Gladedale (Lancashire) Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

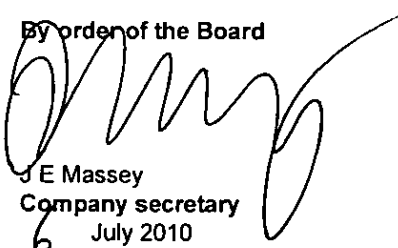
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board


J E Massey
Company secretary
6 July 2010

Gladedale (Lancashire) Limited

Independent auditors' report to the members of Gladedale (Lancashire) Limited

We have audited the financial statements of Gladedale (Lancashire) Limited for the year ended 31 December 2009 which comprise the Profit and loss account, the Balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out in the Directors' report 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit 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 Directors' report 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Arif Ahmad (Senior Statutory Auditor)

For and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

13 July 2010

Gladedale (Lancashire) Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	-	-
Cost of sales		-	(4)
Gross loss		-	(4)
Administrative expenses		(4)	(6)
Operating loss	3	(4)	(10)
Interest receivable and similar income	4	12	42
Profit on ordinary activities before taxation		8	32
Taxation on profit on ordinary activities	5	9	-
Profit for the financial year	9	17	32

All amounts relate to continuing activities

There were no recognised gains or losses in either financial year other than the profit for the financial year as shown above

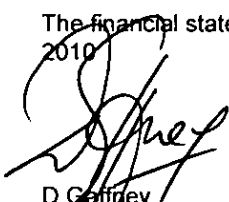
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Gladedale (Lancashire) Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Current assets			
Debtors (including £713,000 (2008 £nil) due after more than one year)	6	713	2
Cash at bank and in hand		2	702
		715	704
Creditors, amounts falling due within one year	7	(34)	(40)
Total assets less current liabilities		681	664
Capital and reserves			
Called up share capital	8	700	700
Profit and loss reserve	9	(19)	(36)
Total shareholders' funds	10	681	664

The financial statements on pages 5 to 11 were approved by the Board and authorised for issue on 6th July 2010



D Geoffrey
Director
Gladedale (Lancashire) Limited
Company number 3823032

Gladedale (Lancashire) Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

On 1 September 2009, as part of a Group-wide restructuring exercise, the Company and its affiliates were acquired by Gladedale Group Holdings Limited (formerly Terret Group Limited). Arising from this change of ownership, new committed bank term loan and working capital facilities have been made available by the Group's principal lender. On this basis the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

The Company is a wholly owned subsidiary of Gladedale Group Holdings Limited (formerly Terret Group Limited), and is included in its consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Revenue recognition

Sale of residential properties

Revenue on the sale of residential property is recognised when the contract has legally completed.

Construction contracts

Revenue under construction contracts is recognised in accordance with the stage of completion. Revenue is only recognised on a construction contract when the outcome can be estimated reliably. Revenue and costs are recognised by reference to the stage of completion of contract activity at the balance sheet date, normally measured by surveys of work performed to date.

Amounts recoverable on contracts are included in debtors and stated at cost plus attributable profit, less any foreseeable losses. Payments received on account of contracts are deducted from amounts recoverable on contracts. Payments received in excess of amounts recoverable are included in creditors.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2 Turnover

Turnover represents amounts derived from the provision of goods and services which fall due within the Company's ordinary activities, after deduction of discounts and value added tax. The turnover and profit on ordinary activities before taxation, all of which arises in the United Kingdom, is attributable to the Company's principal activity that of residential house building.

Gladedale (Lancashire) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

3 Operating loss

	2009	2008
	£'000	£'000
Operating loss is stated after charging/(crediting)		
Auditors' remuneration		
- audit	2	1
Loss on the disposal of tangible fixed assets	-	2

The Company did not have any employees during the year or prior year

Directors' remuneration has been met by Gladedale Holdings Limited, an intermediate parent undertaking

4 Interest receivable and similar income

	2009	2008
	£'000	£'000
Bank interest receivable	12	42

5 Taxation on profit on ordinary activities

	2009	2008
	£'000	£'000
Current tax		
UK corporation tax on profits of the year	-	-
Adjustment for prior year	(9)	-
Total current tax	(9)	-

• **Gladedale (Lancashire) Limited**

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Taxation on profit on ordinary activities (continued)

The tax assessed for the year is lower than (2008 lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2009 of 28% (2008 28.5%). The differences are explained below

	2009	2008
	£'000	£'000
Profit on ordinary activities before taxation	8	32
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 28.5%)	2	9
Adjustment for prior year	(9)	-
Group relief	(2)	(9)
Current tax credit for year	(9)	-

6 Debtors

	2009	2008
	£'000	£'000
Amounts owed by Group undertakings	713	-
Prepayments and accrued income	-	2
	713	2

All amounts shown under debtors fall due for payment within one year, except for £713,000 (2008 £nil) amounts owed by Group undertakings which are due after more than one year

All amounts owed by Group undertakings and related parties are interest free, carry no security and are repayable on demand, except for £713,000 (2008 £nil) which is repayable after more than one year

Gladedale (Lancashire) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Creditors amounts falling due within one year

	2009	2008
	£'000	£'000
Trade creditors	8	6
Amounts due to Group undertakings	4	1
Corporation tax	-	9
Other creditors	18	18
Accruals and deferred income	4	6
	34	40

The amounts due to Group undertakings are unsecured, interest free and repayable on demand

8 Called up share capital

	2009	2008
	£'000	£'000
Authorised		
700,000 ordinary shares of £1 each	700	700
Allotted and fully paid		
700,000 ordinary shares of £1 each	700	700

9 Reserves

	Profit and loss reserve
	£'000
Balance at 1 January 2009	(36)
Profit for the financial year	17
Balance at 31 December 2009	(19)

Gladedale (Lancashire) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

10 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Profit for the financial year	17	32
Opening shareholders' funds	664	632
Closing shareholders' funds	681	664

11 Contingent liabilities

On 30 December 2008, the Company along with other Group member and related companies entered into cross guarantee and debenture instruments with the Bank of Scotland plc guaranteeing and securing liability in relation to their banking facilities. The aggregate amount outstanding at 31 December 2008 under these facilities was £980,490,287.

On 1 September 2009, as part of a Group-wide restructuring exercise, new committed bank term loan and working capital facilities were made available by the Group's principal lender. Under the terms of this agreement, the Company no longer provides guarantees and security in relation to the Group's banking facilities.

12 Related party transactions

The Company is a wholly owned subsidiary of Ben Bailey Homes Limited (formerly Gladedale (Central Division) Limited). Gladedale Group Holdings Limited (formerly Terret Group Limited), the ultimate parent undertaking, has prepared consolidated financial statements for the year ended 31 December 2009 and therefore the Company has relied on the exemptions contained within Financial Reporting Standard No. 8 in respect of the disclosure of related party transactions. There are no other related parties transactions that require disclosure in these financial statements.

13 Ultimate parent undertaking

The Company is a wholly owned subsidiary of Ben Bailey Homes Limited (formerly Gladedale (Central Division) Limited).

The directors consider Gladedale Group Holdings Limited (formerly Terret Group Limited), a company registered in England and Wales, to be the Company's ultimate parent company and controlling party. Gladedale Group Holdings Limited (formerly Terret Group Limited) is the largest and Gladedale Residential Group Limited (formerly Terret Residential Limited) is the smallest group of which the Company is a member and for which consolidated financial statements will be prepared for 31 December 2009.

Copies of the financial statements of the ultimate parent company are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.