

**Austin Park Estates Limited**

**Report and Financial Statements**

**For the Year Ended 31 March 2012**

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**Austin Park Estates Limited**

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**Company Information**

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<b>Directors</b>	M B Owen A R Lovelady W R Crocker
<b>Company secretaries</b>	A R Lovelady H Silvano
<b>Company number</b>	4160315
<b>Registered office</b>	North House 17 North John Street Liverpool L2 5EA
<b>Auditors</b>	Ernst & Young LLP 20 Chapel Street Liverpool L3 9AG

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## **Austin Park Estates Limited**

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### **Directors' Report For the Year Ended 31 March 2012**

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The directors present their report and the financial statements for the year ended 31 March 2012. The company is part of the Ethel Austin Properties Holdings ("EAPH") group and takes part in the centralised banking arrangement of the group. These financial statements have been prepared on a break-up basis as the assets of the company continue to be secured against the group bank loan and form part of the banks' request for the return of their loan monies. Once the company has realised assets necessary to repay the banks' debt, the directors consider that it is unlikely to acquire any new assets in the future and so the company will probably have concluded its business.

#### **Principal activities**

The principal activity of the company during the year related to the management of commercial investment property in the United Kingdom.

#### **Directors**

The directors who served during the year were

M B Owen  
A R Lovelady  
W R Crocker

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

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

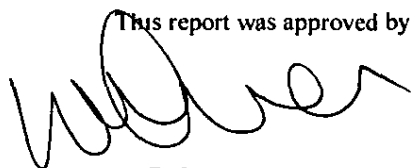
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

**10 JAN 2013**

and signed on its behalf



**W R Crocker**  
Director

**Directors' Responsibilities Statement  
For the Year Ended 31 March 2012**

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The directors are responsible for preparing the Directors' 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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,
- 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.

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## **Austin Park Estates Limited**

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### **Independent Auditors' Report to the Members of Austin Park Estates Limited**

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We have audited the financial statements of Austin Park Estates Limited for the year ended 31 March 2012, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 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 and financial statements 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 company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**Austin Park Estates Limited**

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**Independent Auditors' Report to the Members of Austin Park Estates Limited**

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**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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report



Barry Flynn (Senior Statutory Auditor)

for and on behalf of  
**Ernst & Young LLP**

Statutory Auditor

Liverpool  
Date 10/11/2013

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**Austin Park Estates Limited**

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**Profit and Loss Account**  
**For the Year Ended 31 March 2012**

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	Note	2012 £000	2011 £000
<b>Turnover</b>	1	140	141
Cost of sales		(14)	(26)
		<hr/>	<hr/>
<b>Gross profit</b>		126	115
Administrative expenses		(34)	(20)
		<hr/>	<hr/>
<b>Operating profit</b>	2	92	95
<b>Exceptional items</b>			
Other exceptional items	4	(462)	(1,805)
		<hr/>	<hr/>
<b>Loss on ordinary activities before interest</b>		(370)	(1,710)
Interest receivable and similar income		3	-
Interest payable and similar charges	3	(39)	(83)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(406)	(1,793)
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>	11	(406)	(1,793)
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The notes on pages 8 to 13 form part of these financial statements

All the amounts stated above relate to discontinuing operations

The profit and loss account has been prepared under the break up basis as per note 1, accounting policies

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**Austin Park Estates Limited**

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**Statement of Total Recognised Gains and Losses  
For the Year Ended 31 March 2012**

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	2012 £000	2011 £000
<i><b>Profit/(loss) for the financial year/ period</b></i>	<u>(406)</u>	<u>(1,793)</u>
<i><b>Total recognised gains and losses relating to the year/ period</b></i>	<u><u>(406)</u></u>	<u><u>(1,793)</u></u>

The notes on pages 8 to 13 form part of these financial statements



**Austin Park Estates Limited**  
**Registered number: 4160315**

**Balance Sheet**  
**As at 31 March 2012**

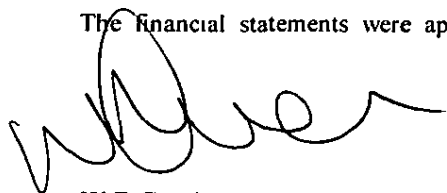
	Note	£000	2012 £000	£000	2011 £000
<b>Current assets</b>					
Investment property		628		1,078	
Debtors	7	68		92	
	7	696		1,170	
<b>Creditors: amounts falling due within one year</b>	8	(1,299)		(1,380)	
<b>Net current liabilities</b>			(603)		(210)
<b>Total assets less current liabilities</b>			(603)		(210)
<b>Provisions for liabilities</b>					
Other provisions	9		(31)		(18)
<b>Net liabilities</b>			(634)		(228)
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Capital contribution reserve	11		2,151		2,151
Profit and loss account	11		(2,785)		(2,379)
<b>Shareholders' deficit</b>	12		(634)		(228)

The balance sheet has been prepared under the break up basis as per note 1, accounting policies

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

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

**10 JAN 2013**



**W R Crocker**  
**Director**

The notes on pages 8 to 13 form part of these financial statements

**Notes to the Financial Statements  
For the Year Ended 31 March 2012**

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**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company's financial statements have been prepared on a break-up basis. The company is dependant upon support from the EAPH group however the company's asset base is expected to continue to provide an income stream until which time that the company and the group have realised its asset base. Expected future costs have been analysed and where not recoverable through applicable revenue streams have been provided for at the balance sheet date.

**1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT. The following criteria must also be met before revenue is recognised:

**Net rents**

Revenue is recognised when the contractual rental value is invoiced to the tenant and the subsequent asset is generated in the balance sheet.

**Interest income**

Revenue is recognised as interest accrues using the effective interest method.

**1.3 Investment properties**

Following the banks requirement that their loan monies to the group are repaid over an appropriate time period the investment property held in the financial statements has been valued as per the expected realisation proceeds (ERP). The ERP is the valuation figure which the banks and the board agree would be reasonable to accept as part of a portfolio sale. This reflects the market conditions at the time of signing the financial statements.

Following the revaluation to ERP the aggregate surplus or deficit has been transferred to a revaluation reserve, unless a deficit or its reversal on an individual property is expected to be permanent, in which case it has been recognised in the profit and loss account for the year.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation or amortisation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes in the current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the ERP valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Notes to the Financial Statements  
For the Year Ended 31 March 2012**

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**1. Accounting Policies (continued)**

**1.4 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay tax in the future

Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

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**Austin Park Estates Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2012**

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**2. Operating profit**

The operating profit is stated after charging

	2012 £000	2011 £000
Auditors' remuneration	3	3

During the year, no director received any emoluments (2011 - £NIL)

**3. Interest payable**

	2012 £000	2011 £000
On bank loans and overdrafts	-	43
On other loans	38	-
On loans from group undertakings	1	40
	39	83

**4 Exceptional items**

	2012 £000	2011 £000
Permanent deficit on revaluation of investment property	449	522
Guarantee payment	-	1,234
Provision for future losses	13	18
Easycrown loan	-	31
	462	1,805

**5. Taxation**

There is no liability based on the result for the year

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

In his Budget of 21 March 2012, the Chancellor of the Exchequer announced certain changes which have an effect on the company's future tax position. At the balance sheet date, legislation had been substantively enacted which would reduce the main rate of UK corporation tax from 26% to 24% with effect from 1 April 2012 and therefore the 24% rate is applied to any deferred tax balances. The proposals also included phased reductions in the main rate of corporation tax to 22% from 1 April 2014. The 2012 Finance Bill contains proposals to reduce the corporation tax main rate to 23% from 1 April 2013 with a further reduction to 22% expected to be reflected in future Finance Acts.

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**Austin Park Estates Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2012**

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**6. Investment Property**

	Freehold Property £000
<b>Cost or valuation</b>	
At 1 April 2011	1,078
Deficit on revaluation	(450)
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At 31 March 2012	628
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The deficit on revaluation comprises of a provision for permanent diminution in value below original cost of £450,000 which has been charged to the profit and loss account

**7. Debtors**

	2012 £000	2011 £000
Trade debtors	65	42
Amounts owed by group undertakings	-	47
Other debtors	3	3
	<hr/>	<hr/>
	68	92
	<hr/> <hr/>	<hr/> <hr/>

**8. Creditors:  
Amounts falling due within one year**

	2012 £000	2011 £000
Trade creditors	35	33
Amounts owed to related undertakings	1,217	1,284
Social security and other taxes	1	4
Other creditors	46	59
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	1,299	1,380
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**Austin Park Estates Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2012**

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**9. Provisions**

	Provision for future losses £000
At 1 April 2011	18
Increase in provision	13
At 31 March 2012	<u>31</u>

***Provision for future losses***

Expected future costs have been analysed and where not recoverable through applicable revenue streams have been provided for at the balance sheet date

**10. Share capital**

	2012 £000	2011 £000
<b><i>Allotted, called up and fully paid</i></b>		
2 Ordinary shares of £1 each	<u>-</u>	<u>-</u>

**11. Reserves**

	Capital contribution reserve £000	Profit and loss account £000
At 1 April 2011	2,151	(2,379)
Loss for the year	-	(406)
At 31 March 2012	<u>2,151</u>	<u>(2,785)</u>

**12. Reconciliation of movement in shareholders' deficit**

	2012 £000	2011 £000
Opening shareholders' deficit	(228)	(586)
Loss for the year	(406)	(1,793)
Capital contribution	-	2,151
Closing shareholders' deficit	<u>(634)</u>	<u>(228)</u>

**Notes to the Financial Statements  
For the Year Ended 31 March 2012**

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**13. Related party transactions**

M B Owen, AR Lovelady and W R Crocker are directors of New Embrace Limited (NEL) At 31 March 2012 NEL had a loan to the company of £1,185,000 (2011 £1,253,000) Interest payable in respect of the loan for the year to 31 March 2012 amounted to £38,000 (2011 £19,000)

M B Owen, AR Lovelady and W R Crocker are directors of Ethel Austin Properties Holdings Limited (EAPH) At 31 March 2012 EAPH had a loan from the company of £106,000 (2011 £47,000) At the year end date the EAPH loan was cleared down to £nil via an offset and consequent reduction of the NEL loan to the company Interest receivable in respect of the loan for the year amounted to £3,000 (2011 less than £400)

M B Owen, AR Lovelady and W R Crocker are directors of Easycrown Properties Limited (EC) At 31 March 2012 EC had a loan to the company of £32,000 (2011 £31,000) Interest payable in respect of the loan for the year to 31 March 2012 amounted to £1,000 (2011 £500)

M B Owen is a director and shareholder of Mason Owen & Partners (Holdings) Limited (MOP), which provided property consultancy services to the company during the year The fees in respect of these services amounted to £6,000 (2011 £7,000)

**14. Ultimate parent undertaking and controlling party**

The immediate parent undertaking at 31 March 2012 was New Embrace Limited which owned the issued share capital The ultimate parent undertaking was Ethel Austin Properties Holdings Limited

As at 31 March 2012 the company accounts were consolidated into the group accounts of Ethel Austin Properties Holdings Limited

Copies of the group accounts of Ethel Austin Properties Holdings Limited may be obtained from North House, 17 North John Street, Liverpool, L2 5EA