

**GREGORY PROPERTY HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JANUARY 2013**

MONDAY



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COMPANIES HOUSE

# **GREGORY PROPERTY HOLDINGS LIMITED**

## **COMPANY INFORMATION**

**CHAIRMAN**

G Barry Gregory

**OTHER DIRECTORS**

C E Gregory  
T R Gurney

**COMPANY NUMBER**

04184646

**SECRETARY**

M Robertson

**REGISTERED OFFICE**

2 The Embankment  
Sovereign Street  
LEEDS  
LS1 4GP

**AUDITORS**

Firth Parish  
Chartered Accountants  
1 Airport West  
Lancaster Way  
Yeadon  
LEEDS  
LS19 7ZA

**BANKERS**

Yorkshire Bank Plc  
94 Albion Street  
LEEDS  
LS1 6AG

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**GREGORY PROPERTY HOLDINGS LIMITED**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JANUARY 2013**

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**GREGORY PROPERTY HOLDINGS LIMITED**

**CHAIRMAN'S STATEMENT  
FOR THE PERIOD ENDED 31 JANUARY 2013**

Firstly, I must report a change in our year end to 31 January. The extension of one month, on this occasion, was to allow the January re-financing of Broad Street Plaza, Halifax to be taken into account but going forward it is felt that the date is preferable to 31 December when in the lead up to Christmas and New Year there is often hurried activity.

There has been an appreciable improvement in trade and financial prospects for Britain over the six months or so since I wrote my last report for our 2011 Accounts. UK business optimism is at its highest level for over two years with growth in the regions at its strongest since 2001.

Turnover has included sales of the Premier Inn hotel and restaurant at Broad Street Plaza along with phase two land fronting Broad Street together with rental income. In the case of the land Group has retained an interest in the future development of the plot for offices. In addition, we have sold the Broadacre House annexe in Bradford by way of asset disposal.

The Halifax interest bill for the thirteen-month period has been approx. £888K uncovered by rental income owing to rent free periods (negotiated by tenants) applicable from 2 July 2012 when practical completion occurred. Further, there have been service charge shortfalls and certain unrecovered costs in the early stages of the management of the development. This aggregate outlay has impacted very substantially on our results for the thirteen-month period.

We have incurred a post-tax loss for the thirteen months of £1,257,289 (2011: profit after tax £172,984) with a corresponding fall in Shareholders' Funds to £1,964,628 (2011: £3,519,917).

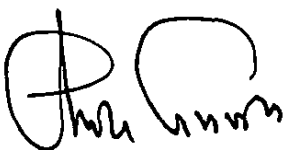
Unit 3 Teesway Park has been re-let to Eriks, a good covenant, which should ease our ability to re-finance the Yorkshire Bank loan for which purpose added time has been granted by the Bank.

The Listed Building planning application was recently refused leaving an uncertain future for the Corn Mill. However, we shall continue to engage with the planners until a resolution is found.

We are operating within our banking facilities and other financial constraints.

We have agreed terms to purchase a prominent retail site in Rotherham subject to planning permission and finding tenants. Two have come forward namely Aldi and Iceland on acceptable terms and solicitors have been instructed. We have also agreed to purchase a vacant factory in West Leeds involving part demolition and refurbishment of the remainder to cater, in part, for Pure Gym (20,000 sq ft) and Halfords for an MOT centre. We continue with an Option to Purchase an inner city site in Leeds suitable for a discount food store, Pure Gym (22,000 sq ft) and other space subject to planning permission.

Finally, with a view to re-paying group's Yorkshire Bank facilities, we have instructed selling agents for the disposal of our Homebase investment in Burnley and a factory investment in East Leeds let to Alternative Windows.



**G BARRY GREGORY**  
CHAIRMAN

2 October 2013

# GREGORY PROPERTY HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JANUARY 2013

The directors present their report and the audited financial statements for the period ended 31 January 2013

### Principal activities

The principal activity of the company is that of a holding company

The principal activities of the group are property development, property investment, project management, refurbishment and the purchase and sale of land

The directors' consider that the outlook presents significant challenges in terms of demand for commercial property but believe the group is well positioned

### Business review

The consolidated balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £1,964,628. A full business review is included on page 1

### Four year financial record

|  | Period<br>ended<br>31 January<br>2013 | Year<br>ended<br>31 December<br>2011 | Year<br>ended<br>31 December<br>2010 | Year<br>ended<br>31 December<br>2009 |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|  | £'000                                 | £'000                                | £'000                                | £'000                                |
| Turnover Group and Joint Venture                   | 9,167                                 | 8,065                                | 506                                  | 1,539                                |
| Share of Joint Venture Turnover                    | -                                     | (1,394)                              | -                                    | -                                    |
| Group Turnover                                     | 9,167                                 | 6,671                                | 506                                  | 1,539                                |
| Gross Profit/(Loss)                                | 1,025                                 | 706                                  | 513                                  | (310)                                |
| Share of Operating Profit/(Loss) of Joint Ventures | 20                                    | 149                                  | 218                                  | (154)                                |
| Net Rental Income                                  | 903                                   | 506                                  | 506                                  | 216                                  |
| Investment Income                                  | 4                                     | 4                                    | 49                                   | 15                                   |
| (Loss)/Profit before Taxation                      | (1,347)                               | 171                                  | (185)                                | (935)                                |
| Revaluation (Deficit)                              | -                                     | (430)                                | (57)                                 | (330)                                |
| Total Recognised (Losses)                          | (1,257)                               | (257)                                | (58)                                 | (1,275)                              |
| Shareholders Funds                                 | 1,965                                 | 3,520                                | 3,777                                | 4,198                                |

### Profit, dividends and appropriations

After the period end £nil has been set aside to pay a dividend.

### Fixed assets

Changes in fixed assets during the period are set out in the notes to the accounts as follows

|                         |   |         |
|-------------------------|---|---------|
| Tangible fixed assets   | - | note 11 |
| Investment properties   | - | note 11 |
| Fixed asset investments | - | note 12 |

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts

**GREGORY PROPERTY HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**Directors**

The following directors have held office since 1 January 2012:

G Barry Gregory  
D J Brimblecombe (resigned 30 September 2012)  
C E Gregory  
T R Gurney

|  | Period ended<br>31 January<br>2013<br>£ | Year ended<br>31 December<br>2011<br>£ |
|--|---|--|
| <b>Charitable donations</b>                              |   |  |
| During the period the group made the following payments: |   |  |
| Charitable donations                                     | -                                       | 5,865                                  |

**Auditors**

The Auditors, Firth Parsh, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

**Statement of directors' responsibilities**

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 period. 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;
- 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 to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



**M Robertson**  
Secretary

2 October 2013

## **GREGORY PROPERTY HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GREGORY PROPERTY HOLDINGS LIMITED**

We have audited the financial statements of Gregory Property Holdings Limited for the period ended 31 January 2013 set out on pages 5 to 23. 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 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 the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 Directors' Report 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 and of the group's affairs as at 31 January 2013 and of its (loss) for the period 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.

#### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's and the company's ability to continue as a going concern. The group which incurred a net loss for the period ending 31 January 2013 of £1,257,289, has bank facilities of £4,940,000 maturing within the next year which require either repayment or refinancing and is reliant on the support of Joint Venture Partners in connection with funding of £10,826,169. These conditions as explained in note 1 to the financial statements indicate the existence of material uncertainties which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group/company was unable to continue as a going concern.

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

In our opinion the information given in the Directors' Report for the financial period 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, 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.

**G D Beaumont (Senior Statutory Auditor)**  
for and on behalf of Firth Parish

2 October 2013

**Chartered Accountants  
Statutory Auditor**

1 Airport West  
Lancaster Way  
Yeadon  
Leeds  
LS19 7ZA

**GREGORY PROPERTY HOLDINGS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 JANUARY 2013**

|   |             | <b>Period ended<br/>31 January<br/>2013</b> |          | <b>Year ended<br/>31 December<br/>2011</b> |          |
|---|-------------|---|----------|--|----------|
|   | <b>Note</b> | <b>£</b>                                    | <b>£</b> | <b>£</b>                                   | <b>£</b> |
| <b>Turnover</b>   | 2           | 9,166,965                                   |          | 6,670,654                                  |          |
| Cost of sales   |             | 8,142,314                                   |          | 5,964,962                                  |          |
|   |             | <hr/>                                       |          | <hr/>                                      |          |
| <b>Gross profit</b>   |             | 1,024,651                                   |          | 705,692                                    |          |
| Administrative expenses   |             | (917,941)                                   |          | (576,776)                                  |          |
|   |             | <hr/>                                       |          | <hr/>                                      |          |
| <b>Operating profit</b>   |             | 106,710                                     |          | 128,916                                    |          |
| Loans written off   |             | 49,997                                      |          | 151,119                                    |          |
| Lease surrender compensation                                    |             | 54,327                                      |          | 108,655                                    |          |
| Loss on sale of property  |             | (155,000)                                   |          | -  |          |
| Refinancing costs   |             | (2,039)                                     |          | -  |          |
| Non-returnable bonus  |             | (25,000)                                    |          | -  |          |
|   |             | <hr/>                                       |          | <hr/>                                      |          |
|   |             | (77,715)                                    |          | 259,774                                    |          |
| Share in operating profits of joint ventures                    |             | 19,922                                      |          | 149,222                                    |          |
| Interest receivable   | 5           | 3,568                                       |          | 4,004                                      |          |
| Amounts written off investments                                 | 6           | (110,000)                                   |          | -  |          |
| Interest payable  | 7           | (1,289,928)                                 |          | (370,939)                                  |          |
|   |             | <hr/>                                       |          | <hr/>                                      |          |
| <b>(Loss)/profit on ordinary activities<br/>before taxation</b> |             | (1,347,443)                                 |          | 170,977                                    |          |
| Tax on (loss)/profit on ordinary activities                     | 8           | 90,154                                      |          | 2,007                                      |          |
|   |             | <hr/>                                       |          | <hr/>                                      |          |
| <b>(Loss)/profit for the period</b>                             |             | (1,257,289)                                 |          | 172,984                                    |          |
|   |             | <hr/>                                       |          | <hr/>                                      |          |



**GREGORY PROPERTY HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 JANUARY 2013**

|   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|---|---|--|
| <b>(Loss)/profit for the period</b>                         | (1,257,289)                                       | 172,984  |
| Unrealised deficit on revaluation of properties             | -   | (430,000)  |
| <b>Total recognised gains and losses<br/>for the period</b> | <u>(1,257,289)</u>                                | <u>(257,016)</u>                                 |

**CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES**

|   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|---|---|--|
| <b>Reported (loss)/profit on ordinary activities before taxation</b>                                      | (1,347,443)                                       | 170,977  |
| Realisation of property revaluation gains of previous years   | -   | -  |
| <b>Historical cost (loss)/profit on ordinary activities before taxation</b>                               | <u>(1,347,443)</u>                                | <u>170,977</u>                                   |
| <b>Historical cost (loss)/profit for the period after taxation,<br/>extraordinary items and dividends</b> | <u>(1,555,289)</u>                                | <u>172,984</u>                                   |

**GREGORY PROPERTY HOLDINGS LIMITED**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 JANUARY 2013**

|  | Note | 31 January<br>2013<br>£ | 31 December<br>2011<br>£ |
|--|------|-------------------------|--------------------------|
| <b>Fixed assets</b>  |      |                         |                          |
| Tangible assets  | 11   | 6,876,086               | 7,687,291                |
| Investments  | 12   | 15                      | 50,015                   |
| Investment in joint venture:                                   |      |                         |                          |
| Share of gross assets  |      | 516,874                 | 492,968                  |
| Share of gross liabilities                                     |      | (417,577)               | (413,593)                |
|  |      | <u>99,297</u>           | <u>79,375</u>            |
|  |      | 6,975,398               | 7,816,681                |
| <b>Current assets</b>  |      |                         |                          |
| Developments in progress                                       | 13   | 31,010,179              | 26,446,657               |
| Debtors  | 14   | 1,893,136               | 1,571,502                |
| Cash at bank and in hand                                       |      | 500,474                 | 378,435                  |
|  |      | <u>33,403,789</u>       | <u>28,396,594</u>        |
| <b>Creditors:</b> amounts falling due within one year          | 15   | (4,691,390)             | (11,141,330)             |
|  |      | <u>28,712,399</u>       | <u>17,255,264</u>        |
| <b>Net current assets</b>                                      |      |                         |                          |
|  |      | 28,712,399              | 17,255,264               |
| <b>Total assets less current liabilities</b>                   |      | 35,687,797              | 25,071,945               |
| <b>Creditors:</b> amounts falling due after more than one year | 16   | (33,723,169)            | (21,552,028)             |
|  |      | <u>1,964,628</u>        | <u>3,519,917</u>         |
| <b>Capital and reserves</b>                                    |      |                         |                          |
| Called-up share capital  | 18   | 50,001                  | 50,001                   |
| Share premium account  | 19   | 2,193,990               | 2,193,990                |
| Revaluation reserve  | 20   | -                       | (145,229)                |
| Profit and loss account  | 21   | (279,363)               | 1,421,155                |
|  |      | <u>1,964,628</u>        | <u>3,519,917</u>         |
| <b>Equity shareholders' funds</b>                              | 22   | 1,964,628               | 3,519,917                |

Approved by the Board and authorised for issue on 2 October 2013



**G Barry Gregory**  
Director

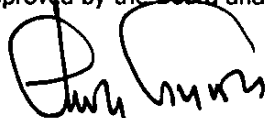
Company Registration No 04184646

**GREGORY PROPERTY HOLDINGS LIMITED**

**BALANCE SHEET  
AS AT 31 JANUARY 2013**

|  |             | <b>31 January<br/>2013</b> |           | <b>31 December<br/>2011</b> |           |
|--|-------------|----------------------------|-----------|-----------------------------|-----------|
|  | <b>Note</b> | <b>£</b>                   | <b>£</b>  | <b>£</b>                    | <b>£</b>  |
| <b>Fixed assets</b>  |             |                            |           |                             |           |
| Investments  | 12          |                            | 760,088   |                             | 810,088   |
| <b>Current assets</b>  |             |                            |           |                             |           |
| Debtors  | 14          | 4,027,155                  |           | 3,590,594                   |           |
| Cash at bank and in hand                                       |             | 65,940                     |           | 145,143                     |           |
|  |             | <hr/>                      |           | <hr/>                       |           |
|  |             | 4,093,095                  |           | 3,735,737                   |           |
| <b>Creditors: amounts falling due within one year</b>          | 15          | (193,689)                  |           | (467,730)                   |           |
|  |             | <hr/>                      |           | <hr/>                       |           |
| <b>Net current assets</b>                                      |             |                            | 3,899,406 |                             | 3,268,007 |
|  |             |                            | <hr/>     |                             | <hr/>     |
| <b>Total assets less current liabilities</b>                   |             |                            | 4,659,494 |                             | 4,078,095 |
| <b>Creditors: amounts falling due after more than one year</b> |             |                            | (840,000) |                             | -         |
|  |             |                            | <hr/>     |                             | <hr/>     |
|  |             |                            | 3,819,494 |                             | 4,078,095 |
|  |             |                            | <hr/>     |                             | <hr/>     |
| <b>Capital and reserves</b>                                    |             |                            |           |                             |           |
| Called-up share capital  | 18          |                            | 50,001    |                             | 50,001    |
| Share premium account  | 19          |                            | 2,193,990 |                             | 2,193,990 |
| Profit and loss account  | 21          |                            | 1,575,503 |                             | 1,834,104 |
|  |             |                            | <hr/>     |                             | <hr/>     |
| <b>Equity shareholders' funds</b>                              | 22          |                            | 3,819,494 |                             | 4,078,095 |
|  |             |                            | <hr/>     |                             | <hr/>     |

Approved by the Board and authorised for issue on 2 October 2013



**G Barry Gregory**  
Director

Company Registration No. 04184646

**GREGORY PROPERTY HOLDINGS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 JANUARY 2013**

|  | Note | Period ended<br>31 January<br>2013<br>£ | Year ended<br>31 December<br>2011<br>£ |
|--|------|---|--|
| <b>Net cash (outflow) from operating activities</b>                            | 23   | (6,021,654)                             | (13,979,419)                           |
| <b>Returns on investments and servicing of finance</b>                         |      |   |  |
| Interest received  |      | 3,568                                   | 4,004                                  |
| Interest paid  |      | (1,289,928)                             | (370,939)                              |
| Dividends received   |      | -                                       | 100,000                                |
| <b>Net cash (outflow) from returns on investments and servicing of finance</b> |      | (1,286,360)                             | (266,935)                              |
| <b>Taxation</b>  |      |   |  |
| Corporation tax repaid   |      | 4,497                                   | 15,373                                 |
| <b>Capital expenditure</b>   |      |   |  |
| Payments to acquire tangible fixed assets                                      |      | (4,550)                                 | (719,944)                              |
| Receipts from sales of tangible fixed assets                                   |      | 520,250                                 | 400                                    |
|  |      | 515,700                                 | (719,544)                              |
| <b>Financial investments</b>   |      |   |  |
| Payments to acquire investments  |      | -                                       | (16)                                   |
| Receipts from sales of investments   |      | 50,000                                  | -                                      |
|  |      | 50,000                                  | (16)                                   |
| <b>Exceptional items</b>   |      |   |  |
| Loans written off  |      | 49,997                                  | -                                      |
| Lease surrender compensation   |      | 54,327                                  | 64,543                                 |
| Refinancing costs  |      | (2,039)                                 | -                                      |
| Non returnable bonus   |      | (25,000)                                | -                                      |
|  |      | 77,285                                  | 64,543                                 |
| <b>Equity dividends paid</b>   |      | (298,000)                               | -                                      |
| <b>Net cash (outflow) before financing</b>                                     |      | (6,958,532)                             | (14,885,998)                           |
| <b>Financing</b>   |      |   |  |
| Debt due within one year:  |      |   |  |
| Increase in short term borrowings  |      | 318,000                                 | 1,555,154                              |
| Repayment of short term loan   |      | (4,645,154)                             | -                                      |
| Debt due after more than one year:   |      |   |  |
| New long term loans  |      | 32,899,011                              | 13,339,739                             |
| Repayment of long term loan  |      | (20,704,477)                            | -                                      |
| Capital element of finance lease repayment                                     |      | (43,225)                                | 24,662                                 |
| <b>Net cash inflow from financing</b>  |      | 7,824,155                               | 14,919,555                             |
| <b>Increase in cash</b>  |      | 865,623                                 | 33,557                                 |

See note 23 for the notes to this statement

# **GREGORY PROPERTY HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2013**

### **1 Accounting policies**

#### **Accounting convention**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated) and under the historical cost accounting rules except for investment properties, which are stated at valuation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

The company has taken advantage of the exemption conferred by Financial Reporting Standard No. 8 from disclosing related party transactions in respect of transactions with subsidiary undertakings 90% or more of whose voting rights are controlled within the group, on the grounds that publicly available consolidated accounts are prepared.

#### **Going concern**

The directors acknowledge the latest guidance on going concern issued by the Financial Reporting Council

As described in the directors' report on pages 2-3, the current economic environment is difficult and the group has reported an operating loss for the period. The directors consider that the outlook for the property sector presents significant challenges but are optimistic of higher demand resulting from the recent reported improvement in economic activity

The group meets its day-to-day working capital requirements through Yorkshire Bank Plc facilities arranged between certain group companies. A Gregory Property Holdings Limited working capital bank loan of £840,000 is due for repayment on 16 May 2014. A Gregory Property Investments Limited bank term loan of £4,100,000 is due for repayment on 4 August 2014. In order to repay these facilities and provide working capital the directors have instructed agents for the disposal of two investment properties held by Gregory Property Investments Limited.

The directors have a reasonable expectation that the sales will proceed successfully. Should the sale of the properties not proceed or, if it were not possible to extend the facilities or, if it were not possible to arrange alternative sources of funding the directors have concluded that there would be a material uncertainty that would cast significant doubt upon the group's ability to continue as a going concern and that, therefore, the group be unable to realise its assets and discharge its liabilities in the normal course of business.

A further matter relevant to the Group's current funding arrangements is the financing of Gregory Projects (Halifax) Limited. The directors concluded that to achieve the most favourable outcome from the sale of the Gregory Projects (Halifax) Limited development – Broad Street Plaza it was necessary to secure the maximum possible occupancy level before offering the development to the market. In order to facilitate this, Gregory Projects (Halifax) Limited arranged in 2013 the refinancing of phase one of the development with Barclays Bank Plc to January 2016 and, at the same date, as set out in note 16, entered into a Joint Venture Agreement the object of which is the interim management, financing and sale of phase 1 of the Broad Street Plaza development. Gregory Projects (Halifax) Limited has received a letter of support from its Joint Venture Partners confirming that they will continue to support the company by not seeking repayment of funding of £10,826,169 for a minimum period of twelve months from the date of approval and signing of these financial statements if to do so would jeopardise the ability of the company to continue as a going concern.

Gregory Projects (Halifax) Limited incurred a net loss of £894,774 during the period ended 31 January 2013 and at that date the company's liabilities exceeded its total assets by £1,320,242. Primarily this loss arose from interest costs of £888,036 uncovered by rental income owing to rent free periods, service charge shortfalls and certain other costs in the early stages of the management of the development. However with over 90% occupancy and the end of the rent free periods post year end, the directors projections show that the company can trade profitably and discharge its liabilities in the normal course of business.

Should phase one of the Broad Street Plaza development not be sold before January 2016 and it was not then possible to arrange alternative sources of funding, or the support of Joint Venture Partners be withdrawn, the directors have concluded that there would be a material uncertainty that would cast significant doubt upon the group's ability to continue as a going concern and that, therefore, the group be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **GREGORY PROPERTY HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2013**

#### **1 Accounting policies (continued)**

##### **Basis of consolidation**

The consolidated financial statements combine the financial statements of Gregory Property Holdings Limited and its subsidiaries Gregory Properties Limited, Gregory Projects Limited, Gregory Property Investments Limited, Gregory Projects (Halifax) Limited, Gregory Projects (Oak Beck) Limited and Horsforth Office Park Limited.

The consolidated financial statements include the Company's share of its joint ventures, Keyland Gregory Limited, Keyland Gregory (Retail) Limited, Dixon Gregory Limited and Centurion Office Park Management Company Limited.

The financial statements of the holding company and its subsidiaries have been made up to the same accounting date

Uniform accounting policies are followed throughout the group

The principles of acquisition accounting have been adopted

The (loss)/profit shown in the consolidated profit and loss account excludes all unrealised profits arising from trading between members of the group

##### **Tangible fixed assets and depreciation**

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. The effect of this departure is to overstate profit by £92,015 (2011. £92,015)

Finance costs that are directly attributable to the construction of an investment property are capitalised as part of the cost of that asset

With the exception of investment properties, depreciation has been provided on all tangible assets using the following annual rates:

|                       |                         |
|-----------------------|-------------------------|
| Motor vehicles        | 25% reducing balance    |
| Fixtures and fittings | 15-20% reducing balance |

Fixtures, fittings and motor vehicles are depreciated at rates which, in the opinion of the directors, will reduce the value of each asset to the net realisable value at the end of its useful life

##### **Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### **Investments**

Fixed asset investments are stated at cost less provision for any permanent diminution in value

##### **Developments in progress**

Developments in progress are stated at the lower of cost or net realisable value plus an estimated amount of profit recognised when the overall profitability of the development can be reasonably foreseen.

Finance costs that are directly attributable to the construction of a development are capitalised as part of the cost of that development.

Long-term contract work-in-progress is shown at cost after deducting foreseeable losses and payments on account.

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**1 Accounting policies (continued)**

**Developments in progress (continued)**

Profit taken on long term contracts is determined on the basis of the proportion of expected contract profit calculated at the contract stage reached at the balance sheet date

Gross profit includes attributable profit recoverable on contracts incomplete at the balance sheet date. Amounts recoverable are also included within debtors

**Deferred taxation**

Deferred tax is provided in full respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

**Government grants**

Government grants received in relation to development properties are offset against the costs of those developments

**Rental Income**

Rental income received under operating leases is recognised on a straight-line basis over the term of the lease and is included within turnover

**2 Turnover**

Turnover represents the amount derived from the provision of goods and services which fall within the group's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

As permitted by section 408 of the Companies Act 2006, as amended, Gregory Property Holdings Limited has not presented its own profit and loss account

|   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|---|---|--|
| Turnover arising from the joint venture is as follows |   |  |
| Turnover: group and share of joint venture            | 9,166,965   | 8,064,589  |
| Less: share of joint venture's turnover               | -   | (1,393,935)                                      |
|   | <hr/>   | <hr/>  |
| Group turnover  | 9,166,965   | 6,670,654  |
|   | <hr/>   | <hr/>  |

**3 Operating profit**

|   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|---|---|--|
| Operating profit is stated after crediting:     |   |  |
| Net rental income                               | 902,540   | 506,089  |
| and after charging                              | <hr/>   | <hr/>  |
| Staff costs (note 4)                            | 311,854   | 251,902  |
| Auditors' remuneration                          |   |  |
| audit services                                  | 35,000  | 20,000   |
| other services                                  | 5,000   | 3,000  |
| Depreciation of tangible fixed assets (note 11) |   |  |
| owned assets                                    | 18,414  | 5,457  |
| leased assets                                   | 11,820  | 12,835   |
| Loss on disposal of tangible fixed assets       | 270   | 2,230  |
| Operating lease rentals                         | 71,490  | 64,843   |
|   | <hr/>   | <hr/>  |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

|          |   |   |  |
|----------|---|---|--|
| <b>4</b> | <b>Directors and employees</b>  | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|          | <b>Staff costs including directors' emoluments</b>  |   |  |
|          | Wages and salaries  | 269,585   | 216,493  |
|          | Social security costs   | 42,269  | 35,409   |
|          |   | <hr/>   | <hr/>  |
|          |   | 311,854   | 251,902  |
|          |   | <hr/>   | <hr/>  |
|          | <b>Average monthly number employed including<br/>executive directors</b>  | <b>Number</b>                                     | <b>Number</b>                                    |
|          | Management  | 5   | 6  |
|          | Administration staff  | 3   | 3  |
|          |   | <hr/>   | <hr/>  |
|          |   | 8   | 9  |
|          |   | <hr/>   | <hr/>  |
|          |   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|          | <b>Directors</b>  |   |  |
|          | Emoluments  | 146,751   | 138,604  |
|          |   | <hr/>   | <hr/>  |
|          | Emoluments disclosed above included the following amounts paid to the highest paid director                                 |   |  |
|          |   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|          | Emoluments  | 138,151   | 130,819  |
|          |   | <hr/>   | <hr/>  |
|          | The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2011 1) |   |  |
| <b>5</b> | <b>Interest receivable</b>  | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|          | Bank interest   | 2,148   | 2,026  |
|          | Other interest  | 1,420   | 1,978  |
|          |   | <hr/>   | <hr/>  |
|          |   | 3,568   | 4,004  |
|          |   | <hr/>   | <hr/>  |
| <b>6</b> | <b>Amounts written off investments</b>  | <b>Period ended<br/>31 January<br/>2013</b>       | <b>Year ended<br/>31 December<br/>2011</b>       |
|          | Amounts written off fixed asset investments   |   |  |
|          | - permanent diminution in value of investment properties  | 110,000   | -  |
|          |   | <hr/>   | <hr/>  |



**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

| <b>7</b> | <b>Interest payable</b>   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|----------|---|---|--|
|          | On bank loans and overdrafts  | 915,539   | 367,543  |
|          | Hire purchase interest  | 4,414   | 1,790  |
|          | Other interest  | 369,975   | 1,606  |
|          |   | <u>1,289,928</u>                                  | <u>370,939</u>                                   |
| <b>8</b> | <b>Taxation</b>   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|          | Domestic current period taxation  |   |  |
|          | UK Corporation tax  | (2,413)   | (3,790)  |
|          | Adjustment in respect of prior years  | (4,497)   | (14,029)   |
|          |   | <u></u>   | <u></u>  |
|          | <b>Current tax charge</b>   | <b>(6,910)</b>                                    | <b>(17,819)</b>                                  |
|          | <b>Deferred tax</b>   |   |  |
|          | Deferred tax (credit) debit current period  | (83,244)  | 15,812   |
|          |   | <u>(90,154)</u>                                   | <u>(2,007)</u>                                   |
|          | <b>Factors affecting the tax charge for the year</b>  |   |  |
|          | (Loss)/profit on ordinary activities before taxation  | <u>(1,347,443)</u>                                | <u>170,977</u>                                   |
|          | (Loss)/profit on ordinary activities multiplied by standard rate of<br>U K Corporation tax of 24.00% (2011: 26.00%)   | (323,386)   | 44,454   |
|          | Effects of:   |   |  |
|          | Non deductible expenses   | 30,282  | 8,120  |
|          | Depreciation  | 44,522  | 5,337  |
|          | Capital allowances  | (2,746)   | (3,731)  |
|          | Losses utilised in period   | (15,435)  | (19,945)   |
|          | Losses carried forward  | 264,350   | 93   |
|          | Adjustment in respect of prior years  | (4,497)   | (14,029)   |
|          | Other tax adjustments   | -   | (38,118)   |
|          |   | <u>(6,910)</u>                                    | <u>(17,819)</u>                                  |
|          | <b>Current tax charge</b>   | <b>(6,910)</b>                                    | <b>(17,819)</b>                                  |
|          | An effective corporation tax rate of 24.00% (2011: 26.00%) has been used as directors consider that this is the rate applicable to the group taking into account its level of profits |   |  |
| <b>9</b> | <b>Dividends</b>  | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|          | Ordinary interim dividend paid  | <u>298,000</u>                                    | <u>-</u>   |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**10 Directors' interests and related party transactions**

Related party transactions with group undertakings, less than 90% of whose voting rights are controlled within the Gregory Property Group Limited group, and between directors, together with details of amounts outstanding at the period end date are as follows:

|  | Period ended<br>31 January<br>2013<br>£ | Year ended<br>31 December<br>2011<br>£ |
|--|---|--|
| <b>Expenses recharged to:</b>                    |   |  |
| Dixon Gregory Limited                            | 3,505                                   | 3,053                                  |
| <b>Balances due from (to) at the period end:</b> |   |  |
| Keyland Gregory (Retail) Limited                 | -                                       | 3,794                                  |
| Dixon Gregory Limited                            | -                                       | 32,387                                 |

At the period end the group was owed £295 (2011. £3,487) by L Axon, daughter of G Barry Gregory

**11 Tangible fixed assets  
Group**

|                          | Motor<br>vehicles<br>£ | Fixtures<br>and<br>fittings<br>£ | Investment<br>properties<br>£ | Total<br>£ |
|--------------------------|------------------------|----------------------------------|-------------------------------|------------|
| <b>Cost or valuation</b> |                        |                                  |                               |            |
| At 1 January 2012        | 104,967                | 108,159                          | 7,576,281                     | 7,789,407  |
| Additions                | -                      | 4,550                            | -                             | 4,550      |
| Disposals                | -                      | (695)                            | (675,000)                     | (675,695)  |
| Revaluation              | -                      | -                                | (110,000)                     | (110,000)  |
|                          | <hr/>                  | <hr/>                            | <hr/>                         | <hr/>      |
| 31 January 2013          | 104,967                | 112,014                          | 6,791,281                     | 7,008,262  |
|                          | <hr/>                  | <hr/>                            | <hr/>                         | <hr/>      |
| <b>Depreciation</b>      |                        |                                  |                               |            |
| At 1 January 2012        | 23,060                 | 79,056                           | -                             | 102,116    |
| Charge for period        | 25,151                 | 5,084                            | -                             | 30,235     |
| Disposals                | -                      | (175)                            | -                             | (175)      |
|                          | <hr/>                  | <hr/>                            | <hr/>                         | <hr/>      |
| 31 January 2013          | 48,211                 | 83,965                           | -                             | 132,176    |
|                          | <hr/>                  | <hr/>                            | <hr/>                         | <hr/>      |
| <b>Net book amount</b>   |                        |                                  |                               |            |
| 31 January 2013          | 56,756                 | 28,049                           | 6,791,281                     | 6,876,086  |
|                          | <hr/>                  | <hr/>                            | <hr/>                         | <hr/>      |
| 31 December 2011         | 81,907                 | 29,103                           | 7,576,281                     | 7,687,291  |
|                          | <hr/>                  | <hr/>                            | <hr/>                         | <hr/>      |

The net book amount of fixed assets includes £32,829 (2011 £80,110) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3

The historical costs of investment property at 31 January 2013 amounted to £7,046,510 (2011 £7,721,510)

Interest costs of £189,730 (2011 £189,730) have been capitalised

Sycamore House, Knowsthorpe Lane, Leeds was valued by Jones Lang LaSalle, Chartered Surveyors on 23 April 2013. Ashfield Retail Centre, Calder Vale Road, Burnley was valued by Lambert Smith Hampton, Chartered Surveyors on 30 January 2013

The gross amount of assets, on which no depreciation has been charged, held for use under operating leases is £6,791,281 (2011 £7,576,281)

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**12 Fixed asset investments**

| Fixed asset investments                   |                           |  |                    |
|---|---------------------------|--|--------------------|
| Group                                     | Unlisted investments<br>£ | Shares in participating interests<br>£ | Company total<br>£ |
| <b>Cost</b>                               |                           |  |                    |
| At 1 January 2012                         | 50,000                    | 15                                     | 50,015             |
| Disposals                                 | (50,000)                  | -                                      | (50,000)           |
|   | <hr/>                     | <hr/>                                  | <hr/>              |
| At 31 January 2013                        | -                         | 15                                     | 15                 |
|   | <hr/>                     | <hr/>                                  | <hr/>              |
| <b>Provisions for diminution in value</b> |                           |  |                    |
| At 1 January 2012 and 31 January 2013     | -                         | -                                      | -                  |
|   | <hr/>                     | <hr/>                                  | <hr/>              |
| <b>Net book value</b>                     |                           |  |                    |
| At 31 January 2013                        | -                         | 15                                     | 15                 |
|   | <hr/>                     | <hr/>                                  | <hr/>              |
| At 31 December 2011                       | 50,000                    | 15                                     | 50,015             |
|   | <hr/>                     | <hr/>                                  | <hr/>              |

| Company                                   | Unlisted investments<br>£ | Shares in participating interests<br>£ | Shares in joint ventures<br>£ | Shares in group undertakings<br>£ | Company total<br>£ |
|---|---------------------------|--|-------------------------------|-----------------------------------|--------------------|
| <b>Cost or valuation</b>                  |                           |  |                               |                                   |                    |
| At 1 January 2012                         | 50,000                    | 15                                     | 1,500                         | 758,573                           | 810,088            |
| Disposals                                 | (50,000)                  | -                                      | -                             | -                                 | (50,000)           |
|   | <hr/>                     | <hr/>                                  | <hr/>                         | <hr/>                             | <hr/>              |
| At 31 January 2013                        | -                         | 15                                     | 1,500                         | 758,573                           | 760,088            |
|   | <hr/>                     | <hr/>                                  | <hr/>                         | <hr/>                             | <hr/>              |
| <b>Provisions for diminution in value</b> |                           |  |                               |                                   |                    |
| At 1 January 2012 and 31 January 2013     | -                         | -                                      | -                             | -                                 | -                  |
|   | <hr/>                     | <hr/>                                  | <hr/>                         | <hr/>                             | <hr/>              |
| <b>Net book value</b>                     |                           |  |                               |                                   |                    |
| At 31 January 2013                        | -                         | 15                                     | 1,500                         | 758,573                           | 760,088            |
|   | <hr/>                     | <hr/>                                  | <hr/>                         | <hr/>                             | <hr/>              |
| At 31 December 2011                       | 50,000                    | 15                                     | 1,500                         | 758,573                           | 810,088            |
|   | <hr/>                     | <hr/>                                  | <hr/>                         | <hr/>                             | <hr/>              |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**12 Fixed assets investments (continued)**

| <b>Company</b>                                   | <b>Country of registration or incorporation</b> | <b>Principal activity</b> | <b>Class of shares held</b> | <b>% of ordinary shares held</b> |
|--|---|---------------------------|-----------------------------|----------------------------------|
| <b>Subsidiary undertakings:</b>                  |   |                           |                             |                                  |
| Gregory Properties Limited                       | England   | Service Company           | £1 Ordinary                 | 100                              |
| Gregory Projects Limited                         | England   | Property Development      | £1 Ordinary                 | 100                              |
| Gregory Property Investments Limited             | England   | Property Investment       | £1 Ordinary                 | 100                              |
| Horsforth Office Park Limited                    | England   | Property Development      | £1 Ordinary                 | 100                              |
| Gregory Projects (Oak Beck) Limited              | England   | Property Development      | £1 Ordinary                 | 100                              |
| Gregory Projects (Halifax) Limited               | England   | Property Development      | £1 Ordinary                 | 100                              |
| <b>Joint ventures:</b>                           |   |                           |                             |                                  |
| Keyland Gregory Limited                          | England   | Property Development      | £1 Ordinary                 | 50                               |
| Keyland Gregory (Retail) Limited                 | England   | Property Development      | £1 Ordinary                 | 50                               |
| Dixon Gregory Limited                            | England   | Property Development      | £1 Ordinary                 | 50                               |
| Centurion Office Park Management Company Limited | England   | Property Management       | £1 Ordinary                 | 50                               |

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the last relevant financial year were as follows:

| <b>Company</b>                       | <b>Capital and reserves<br/>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Profit/(loss) for the<br/>Period ended<br/>31 January<br/>2013<br/>£</b> |
|--------------------------------------|--|---|
| Gregory Properties Limited           | (201,862)  | 15,740  |
| Gregory Projects Limited             | (338,523)  | (295,705)   |
| Gregory Property Investments Limited | 1,355,942  | (133,316)   |
| Horsforth Office Park Limited        | (187,417)  | (2,601)   |
| Gregory Projects (Oak Beck) Limited  | (650,404)  | (1,971)   |
| Gregory Projects (Halifax) Limited   | (1,320,242)  | (894,774)   |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**12 Fixed assets investments (continued)**

Details of the group's share of the assets and liabilities of joint ventures are detailed below

|                             | <b>At 31 January 2013</b> | <b>At 31 December 2011</b> |
|-----------------------------|---------------------------|----------------------------|
|                             | <b>£</b>                  | <b>£</b>                   |
| Share of.                   |                           |                            |
| Current assets              | 516,874                   | 492,968                    |
| Liabilities within one year | (417,577)                 | (413,593)                  |
|                             | <hr/>                     | <hr/>                      |
|                             | 99,297                    | 79,375                     |
|                             | <hr/>                     | <hr/>                      |

**13 Developments in progress**

|   | <b>Group<br/>2013</b> | <b>Company<br/>2013</b> | <b>Group<br/>2011</b> | <b>Company<br/>2011</b> |
|---|-----------------------|-------------------------|-----------------------|-------------------------|
|   | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| There are 5 (2011. 4) developments in progress valued at: | 31,010,179            | -                       | 26,446,657            | -                       |
|   | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |

Developments in progress include capitalised interest of £1,519,014 (2011 £974,140).

**14 Debtors**

|                                    | <b>Group<br/>2013</b> | <b>Company<br/>2013</b> | <b>Group<br/>2011</b> | <b>Company<br/>2011</b> |
|------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                                    | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| Trade debtors                      | 442,526               | 1,200                   | 147,907               | 1,200                   |
| Amounts owed by group undertakings | 602,733               | 4,025,955               | -                     | 3,319,267               |
| Corporation tax debtor             | 703                   | -                       | 703                   | -                       |
| Other debtors                      | 77,423                | -                       | 1,212,909             | 270,127                 |
| Prepayments and accrued income     | 524,475               | -                       | 47,951                | -                       |
| Deferred tax asset (see note 17)   | 245,276               | -                       | 162,032               | -                       |
|                                    | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |
|                                    | 1,893,136             | 4,027,155               | 1,571,502             | 3,590,594               |
|                                    | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |

Amounts falling due after more than one year and included in the debtors above are

|             | <b>Group<br/>2013</b> | <b>Company<br/>2013</b> | <b>Group<br/>2011</b> | <b>Company<br/>2011</b> |
|-------------|-----------------------|-------------------------|-----------------------|-------------------------|
|             | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| Prepayments | 289,602               | -                       | -                     | -                       |
|             | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**15 Creditors: amounts falling due within one year**

|  | <b>Group<br/>2013<br/>£</b> | <b>Company<br/>2013<br/>£</b> | <b>Group<br/>2011<br/>£</b> | <b>Company<br/>2011<br/>£</b> |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Bank loans and overdrafts                                    | 318,000                     | -                             | 2,388,738                   | -                             |
| Trade creditors  | 991,746                     | -                             | 1,913,071                   | -                             |
| Amounts owed to group undertakings                           | -                           | -                             | -                           | 467,730                       |
| Taxation and social security                                 | 206,675                     | 193,689                       | -                           | -                             |
| Other loans  | 100,000                     | -                             | 3,100,000                   | -                             |
| Other creditors  | 29,909                      | -                             | 371,598                     | -                             |
| Obligations under finance leases and hire purchase contracts | 21,438                      | -                             | 41,270                      | -                             |
| Accruals and deferred income                                 | 3,023,622                   | -                             | 3,326,653                   | -                             |
|  | <u>4,691,390</u>            | <u>193,689</u>                | <u>11,141,330</u>           | <u>467,730</u>                |

Borrowings from Yorkshire Bank Plc are secured by a cross guarantee between the companies in the group and charges on land

A Yorkshire Forward (now the Department for Business, Innovation and Skills) grant of £2,264,323 (2011 £2,911,057) included in deferred income is secured by a second ranking legal charge over the property at Broad Street, Halifax and goodwill relating to the property dated 3 November 2010

The Barclays Bank Plc loan of £318,000 is secured by a fixed and floating charge over Gregory Projects (Halifax) Limited and all property and assets present and future

**16 Creditors: amounts falling due after more than one year**

|  | <b>Group<br/>2013<br/>£</b> | <b>Company<br/>2013<br/>£</b> | <b>Group<br/>2011<br/>£</b> | <b>Company<br/>2011<br/>£</b> |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Bank loans   | 22,897,000                  | 840,000                       | 18,728,635                  | -                             |
| Other loans  | 10,826,169                  | -                             | 2,800,000                   | -                             |
| Obligations under finance leases and hire purchase contracts | -                           | -                             | 23,393                      | -                             |
|  | <u>33,723,169</u>           | <u>840,000</u>                | <u>21,552,028</u>           | <u>-</u>                      |
| <b>Analysis of loans</b>                                     |                             |                               |                             |                               |
| Wholly repayable within five years                           | 34,141,169                  | 840,000                       | 26,273,789                  | -                             |
| Included in current liabilities                              | (418,000)                   | -                             | (4,745,154)                 | -                             |
|  | <u>33,723,169</u>           | <u>840,000</u>                | <u>21,528,635</u>           | <u>-</u>                      |
| <b>Loan maturity analysis</b>                                |                             |                               |                             |                               |
| In more than one year but not more than two years            | 1,470,000                   | 840,000                       | 17,428,635                  | -                             |
| In more than two years but not more than five years          | 32,253,169                  | -                             | 4,100,000                   | -                             |
|  | <u>33,723,169</u>           | <u>840,000</u>                | <u>21,528,635</u>           | <u>-</u>                      |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**16 Creditors: amounts falling due  
after more than one year (continued)**

Legal charges are held by Yorkshire Bank over Sycamore House, Knowsthorpe Lane, Leeds and Ashfield Retail Centre, Calder Vale Road, Burnley.

The Barclays Bank Plc loan of £17,957,000 is secured by a fixed and floating charge over Gregory Projects (Halifax) Limited and all property and assets present and future.

Gregory Projects (Halifax) Limited has entered into a Joint Venture Agreement with Marshall Construction (West Yorkshire) Limited, Gregory Property Holdings Limited and Commercial Development Projects Limited. The object of the joint venture being the interim management, financing and sale of the Broad Street Plaza development.

Under the terms of the Joint Venture Agreement the Joint Venture Partners entered into a debenture incorporating (inter alia) a legal charge over the Broad Street Plaza development, in favour of Marshall Construction (West Yorkshire) Limited and Commercial Development Projects Limited securing the other loan of £10,826,169.

|  | <b>Group<br/>2013<br/>£</b> | <b>Company<br/>2013<br/>£</b> | <b>Group<br/>2011<br/>£</b> | <b>Company<br/>2011<br/>£</b> |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Net obligations under hire purchase contracts        | -                           | -                             | 23,393                      | -                             |
| <b>Net obligations under hire purchase contracts</b> |                             |                               |                             |                               |
| Repayable within one year                            | 21,438                      | -                             | 41,270                      | -                             |
| Repayable within one and five years                  | -                           | -                             | 23,393                      | -                             |
|  | 21,438                      | -                             | 64,663                      | -                             |
| Included in liabilities falling due within one year  | (21,438)                    | -                             | (41,270)                    | -                             |
|  | -                           | -                             | 23,393                      | -                             |

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned

**17 Provisions for liabilities and charges**

**The deferred tax asset (included in debtors, note 14) is made up as follows:**

|                                | <b>Group<br/>Deferred tax<br/>asset<br/>£</b> |                   |
|--------------------------------|---|-------------------|
| Balance at 1 January 2012      | (162,032)                                     |                   |
| Profit and loss account        | (83,244)                                      |                   |
| Balance at 31 January 2013     | (245,276)                                     |                   |
|                                | <b>2013<br/>£</b>                             | <b>2011<br/>£</b> |
| Accelerated capital allowances | 4,007   | 4,276             |
| Tax losses available           | (249,283)                                     | (166,308)         |
|                                | (245,276)                                     | (162,032)         |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 JANUARY 2013**

**17 Provisions for liabilities and charges (continued)**

A deferred tax asset of £173,299 (2011: £74,112) in respect of unrelieved tax losses at the balance sheet date has not been recognised. This asset can only be recovered against future suitable taxable profits

| <b>18 Called-up share capital</b>        | <b>2013</b> | <b>2011</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| <b>Allotted called-up and fully-paid</b> |             |             |
| 50,001 Ordinary shares of £1 each        | 50,001      | 50,001      |

**19 Share premium account**

|                                       | <b>Group<br/>2013</b> | <b>Company<br/>2013</b> | <b>Group<br/>2011</b> | <b>Company<br/>2011</b> |
|---------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                                       | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| At 1 January 2012 and 31 January 2013 | 2,193,990             | 2,193,990               | 2,193,990             | 2,193,990               |

| <b>20 Revaluation reserve</b>                                | <b>Group<br/>2013</b> | <b>Company<br/>2013</b> | <b>Group<br/>2011</b> | <b>Company<br/>2011</b> |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
|  | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| 1 January 2012   | (145,229)             | -                       | 284,771               | -                       |
| Revaluation during the period                                | -                     | -                       | (430,000)             | -                       |
| Transfer from revaluation reserve to profit and loss account | 145,229               | -                       | -                     | -                       |
| 31 January 2013  | -                     | -                       | (145,229)             | -                       |

The balance relates to the revaluation of investment properties

| <b>21 Profit and loss account</b>                            | <b>Group<br/>2013</b> | <b>Company<br/>2013</b> | <b>Group<br/>2011</b> | <b>Company<br/>2011</b> |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
|  | <b>£</b>              | <b>£</b>                | <b>£</b>              | <b>£</b>                |
| 1 January 2012   | 1,421,155             | 1,834,104               | 1,295,719             | 1,755,395               |
| (Loss)/profit for the period                                 | (1,257,289)           | 39,399                  | 172,984               | 78,709                  |
| Transfer from revaluation reserve to profit and loss account | (145,229)             | -                       | -                     | -                       |
| Minority interest acquired                                   | -                     | -                       | (47,548)              | -                       |
| Dividends paid   | (298,000)             | (298,000)               | -                     | -                       |
| 31 January 2013  | (279,363)             | 1,575,503               | 1,421,155             | 1,834,104               |



**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**22 Reconciliation of movements in shareholders' funds**

|  | <b>Group<br/>2013<br/>£</b> | <b>Company<br/>2013<br/>£</b> | <b>Group<br/>2011<br/>£</b> | <b>Company<br/>2011<br/>£</b> |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| <b>(Loss)/profit on ordinary activities after taxation</b> | (1,257,289)                 | 39,399                        | 172,984                     | 78,709                        |
| Other recognised losses                                    | -                           | -                             | (430,000)                   | -                             |
| Dividends  | (298,000)                   | (298,000)                     | -                           | -                             |
| <b>Net (reduction) to shareholders' funds</b>              | <b>(1,555,289)</b>          | <b>(258,601)</b>              | <b>(257,016)</b>            | <b>78,709</b>                 |
| Opening shareholders' funds                                | 3,519,917                   | 4,078,095                     | 3,776,933                   | 3,999,386                     |
| <b>Closing shareholders' funds</b>                         | <b>1,964,628</b>            | <b>3,819,494</b>              | <b>3,519,917</b>            | <b>4,078,095</b>              |

**23 Notes to the cash flow statement**

**Reconciliation of operating profit to operating cash flows**

|   | <b>Period ended<br/>31 January<br/>2013<br/>£</b> | <b>Year ended<br/>31 December<br/>2011<br/>£</b> |
|---|---|--|
| Operating profit                                    | 106,710   | 128,916  |
| Depreciation charges                                | 30,234  | 18,293   |
| Loss on disposal of fixed assets                    | 270   | 2,230  |
| (Increase) in developments in progress              | (4,563,522)                                       | (15,844,985)                                     |
| (Increase) in debtors                               | (235,976)   | (65,595)   |
| (Decrease)/increase in creditors                    | (1,359,370)                                       | 1,781,722  |
| <b>Net cash (outflow) from operating activities</b> | <b>(6,021,654)</b>                                | <b>(13,979,419)</b>                              |

**Analysis of changes in net debt**

|                        | <b>At<br/>1 January<br/>2012<br/>£</b> | <b>Cash<br/>flows<br/>£</b> | <b>Other<br/>non-cash<br/>changes<br/>£</b> | <b>At<br/>31 January<br/>2013<br/>£</b> |
|------------------------|--|-----------------------------|---|---|
| Cash in hand, at bank  | 378,435                                | 122,039                     | -   | 500,474                                 |
| Overdrafts             | (743,584)                              | 743,584                     | -   | -                                       |
|                        | (365,149)                              | 865,623                     | -   | 500,474                                 |
| Debt due within 1 year | (4,745,154)                            | 4,327,154                   | -   | (418,000)                               |
| Debt due after 1 year  | (21,528,635)                           | (12,194,534)                | -   | (33,723,169)                            |
| Finance leases         | (64,663)                               | 43,225                      | -   | (21,438)                                |
|                        | (26,338,452)                           | (7,824,155)                 | -   | (34,162,607)                            |
| <b>Total</b>           | <b>(26,703,601)</b>                    | <b>(6,958,532)</b>          | <b>-</b>                                    | <b>(33,662,133)</b>                     |

**GREGORY PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2013**

**23 Notes to the cash flow statement (continued)**

| Reconciliation of net cash flow to movement in net debt | Period ended<br>31 January<br>2013 | Year ended<br>31 December<br>2011 |
|---|------------------------------------|-----------------------------------|
|   | £                                  | £                                 |
| Increase in cash in the period                          | 865,623                            | 33,557                            |
| Cash (inflow) from (increase) in debt                   | (7,824,155)                        | (14,894,894)                      |
| Change in net debt resulting from cash flows            | (6,958,532)                        | (14,861,337)                      |
| New finance lease                                       | -                                  | (24,663)                          |
| Movement in net debt in the period                      | (6,958,532)                        | (14,886,000)                      |
| Opening net debt  | (26,703,601)                       | (11,817,601)                      |
| Closing net debt  | (33,662,133)                       | (26,703,601)                      |

**24 Financial commitments**

At 31 January 2013 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2014:

|                                | Land and buildings<br>2013<br>£ | 2011<br>£ | Other<br>2013<br>£ | 2011<br>£ |
|--------------------------------|---------------------------------|-----------|--------------------|-----------|
| Operating leases which expire: |                                 |           |                    |           |
| Within one year                | -                               | -         | 145                | -         |
| Between two and five years     | 48,012                          | 48,012    | 2,830              | 12,868    |
| In over five years             | -                               | -         | -                  | -         |
|                                | 48,012                          | 48,012    | 2,975              | 12,868    |

**25 Ultimate parent undertaking and control**

The company's immediate parent company at the balance sheet date is Gregory Property Group Limited a company incorporated in England.

Gregory Property Group Limited prepare group financial statements and copies may be obtained from the Registrar of Companies, Companies House, Cardiff.

The ultimate controlling party is G Barry Gregory, director, together with family members by virtue of their shareholdings

**26 Post balance sheet events**

With a view to re-paying Group's Yorkshire Bank Plc facilities the directors have instructed selling agents for the disposal of investment properties held by Gregory Property Investments Limited in the balance sheet at 31 January 2013 at a value of £6,730,000. In the directors' opinion the properties will sell for at least £6,319,394, being a conservative estimate based on rental yields. An estimate of the financial effect of the disposal of the investment properties cannot be made with any certainty.