

GREGORY PROPERTY HOLDINGS LIMITED
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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GREGORY PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

CHAIRMAN

G Barry Gregory

OTHER DIRECTORS

D J Brumblecombe
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
5 Eldon Place
BRADFORD
BD1 3AU

BANKERS

Yorkshire Bank Plc
94 Albion Street
LEEDS
LS1 6AG

GREGORY PROPERTY HOLDINGS LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

CONTENTS

	Page
Chairman's statement	1
Directors' report	2 - 3
Independent auditors' report	4
Consolidated profit and loss account	5
Consolidated statement of total recognised gains and losses	6
Consolidated balance sheet	7
Balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 – 24

GREGORY PROPERTY HOLDINGS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

For a second successive year in a recessional economic climate I have to report in unfavourable terms, due largely to a paucity of tenants with exaggerated occupational demands, in turn engendered by a depressed state of the commercial property market through the year. On this occasion 2009 proved to be a year of minimal turnover through constrained activity with a joint ventures loss of £154K along with a project loss on Harrogate Retail Park and overheads to bear there resulted a pre-tax loss of £935,124 (2008 loss of £19,376), by far our worst out-turn since Group re-structure in 2001. Arising from this loss and with a property revaluation deficit, Equity Shareholders funds reduced to £4.198m (2008 £6.103m). Having made this statement there has been renewed interest this year (2010) in purchasing commercial investment property, partly induced by a reduced supply of stock and increased tenant activity. These features coupled with continuing low interest rates are helping to restore an element of confidence which mid-year is encouraging a number of developers to recommence activity.

I am pleased to add that we are operating within our banking facilities and wider financial arrangements.

Our joint venture with Keyland Developments at Foss Islands, York saw further lettings to Pets at Home in October for 10,000 sq ft and more recently to TJX UK for 15,000 sq ft leaving just 10,000 sq ft available. As for the joint project at Centurion Office Park, York NHS Trust did not exercise its Option to Purchase providing an opportunity to satisfactorily sell the freehold investment in the open market.

Dixon Gregory's Teesway Park had an unproductive year on the lettings front although currently there is much improved interest.

At Burnley Homebase took occupation in May with rent accounting for interest charges. At first rent review when a SWAP arrangement falls away rent should comfortably exceed fixed interest levels.

Turning to Broad Street Plaza, Halifax – a major leisure and mixed-use project - considerable progress has been made particularly since the year end. A Yorkshire Forward grant funding agreement was entered into in February this year followed by a facility letter, provided by Santander, for interim finance supported by 80% pre-lets by rent roll.

Following negotiations with three building contractors a construction contract for phase one (the entirety excepting a proposed office block) was entered into in June this year quickly followed by an Agreement for Lease with the NHS for 20,000 sq ft and an Agreement for Lease with Frankie & Benny's for a standard unit.

Provision of off-site car parking, at Eureka, was created in February with lease commencement two months ago.

Marshall Construction (West Yorkshire) commenced on site on 26 July this year with practical completion scheduled for March 2012.

Work on Harrogate Retail Park was concluded at the year end with the final unit of 10,000 sq ft being let to Dreams – an active and successful retailer. With legals being concluded at express speed trading commenced before Christmas and Aviva concluded its settlement arrangements with the development company.

In the main contamination removal was completed last year to the listed Corn Mill in North Leeds. A new architect has been appointed to bring forward fresh ideas which might find favour with English Heritage and Leeds City planners.

With banks strengthening their balance sheets and universally returning to profit it is to be hoped that more broadly based lending will re-emerge to enable small and medium sized companies, like ourselves, to trade more easily and successfully.



G BARRY GREGORY
CHAIRMAN
16 September 2010

GREGORY PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

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

Business review

The consolidated balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £4,197,945. A full business review is included on page 1

Seven year financial record

	2009	2008	2007	2006
	£'000	£'000	£'000	£'000
Turnover Group and Joint Venture	1,539	15,779	9,384	12,565
Share of Joint Venture Turnover	-	(2,169)	-	(5,520)
Group Turnover	1,539	13,610	9,384	7,045
Gross (Loss)/Profit	(310)	1,112	1,432	1,736
Share of Operating (Loss)/Profit of Joint Ventures	(154)	72	(316)	(151)
Net Rental Income	216	168	255	325
Investment Income	15	97	139	70
(Loss)/Profit before Taxation	(935)	(19)	465	585
Revaluation (Deficit)/Surplus	(330)	-	-	1,141
Total Recognised (Losses)/Gains	(1,375)	-	-	1,141
Shareholders Funds	4,198	6,103	6,364	6,271

Profit, dividends and appropriations

After the year 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 10
Investment properties	-	note 10
Fixed asset investments	-	note 11

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 YEAR ENDED 31 DECEMBER 2009

Directors

The following directors have held office since 1 January 2009

G Barry Gregory
D J Brimblecombe
C E Gregory
T R Gurney

Charitable donations

	2009	2008
	£	£
During the year the group made the following payments		
Charitable donations	4,440	2,815

Auditors

Firth Parish were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be reappointed will be put before a General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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

16 September 2010

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 year ended 31 December 2009 set out on pages 5 to 24. 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 pages 2 - 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.

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 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 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

16 September 2010

Chartered Accountants
Statutory Auditor

5 Eldon Place
BRADFORD
BD1 3AU

GREGORY PROPERTY HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

		2009	2008
	Note	£	£
Turnover	2	1,538,717	13,609,741
Cost of sales		(1,848,661)	(12,497,928)
		<hr/>	<hr/>
Gross (loss)/profit		(309,944)	1,111,813
Administrative expenses		(770,775)	(1,344,115)
		<hr/>	<hr/>
Operating (loss)	3		
Continuing operations		(1,080,675)	(231,692)
Discontinued operations		(44)	(610)
		<hr/>	<hr/>
		(1,080,719)	(232,302)
Loan waived		-	135,000
Profit on transfer/disposal of investment property		573,396	-
Amounts written off investments		1,000	500
Share in operating (losses)/profits of joint ventures		(154,425)	72,213
Interest receivable	5	15,089	97,001
Interest payable	6	(289,465)	(91,788)
		<hr/>	<hr/>
(Loss) on ordinary activities before taxation		(935,124)	(19,376)
Tax on (loss) on ordinary activities	7	(19,847)	23,555
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(954,971)	4,179
Minority interests		(9,476)	520
		<hr/>	<hr/>
(Loss)/profit for the year		(945,495)	4,699
		<hr/>	<hr/>

GREGORY PROPERTY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	£	£
(Loss)/profit for the year	(945,495)	4,699
Unrealised deficit on revaluation of properties	(330,000)	-
Total recognised gains and losses for the year	<u>(1,275,495)</u>	<u>4,699</u>

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2009	2008
	£	£
Reported (loss) on ordinary activities before taxation	(935,124)	(19,376)
Realisation of property revaluation gains of previous years	-	-
Historical cost (loss) on ordinary activities before taxation	<u>(935,124)</u>	<u>(19,376)</u>
Historical cost (loss) for the year after taxation, extraordinary items and dividends	<u>(1,574,971)</u>	<u>(260,821)</u>

GREGORY PROPERTY HOLDINGS LIMITED

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	10		7,423,785		9,740,544
Investments	11		56,250		55,250
Investment in joint venture					
Share of gross assets		1,716,374		1,767,177	
Share of gross liabilities		(1,902,930)		(1,799,358)	
			(186,556)		(32,181)
			7,293,479		9,763,613
Current assets					
Developments in progress	12	4,886,584		1,382,390	
Debtors	13	1,089,386		2,383,592	
Cash at bank and in hand		1,066,566		1,264,380	
			7,042,536		5,030,362
Creditors: amounts falling due within one year	14	(6,031,870)		(8,690,956)	
Net current assets/(liabilities)			1,010,666		(3,660,594)
Total assets less current liabilities			8,304,145		6,103,019
Creditors: amounts falling due after more than one year	15		(4,100,000)		-
Provisions for liabilities	16		(6,200)		-
			4,197,945		6,103,019
Capital and reserves					
Called-up share capital	17		50,001		50,001
Share premium account	18		2,193,990		2,193,990
Revaluation reserve	19		341,877		671,877
Profit and loss account	20		1,658,513		3,224,008
Minority interest			(46,436)		(36,857)
Equity shareholders' funds	21		4,197,945		6,103,019

Approved by the Board and authorised for issue on 16 September 2010

G Barry Gregory
Director

Company Registration No 04184646

GREGORY PROPERTY HOLDINGS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Note	2009 £	2008 £
Fixed assets			
Investments	11	817,322	816,446
Current assets			
Debtors	13	3,003,109	3,606,349
Cash at bank and in hand		619,291	1,092,091
		<u>3,622,400</u>	<u>4,698,440</u>
Creditors: amounts falling due within one year	14	<u>(152,410)</u>	<u>(11,300)</u>
Net current assets		<u>3,469,990</u>	<u>4,687,140</u>
Net assets		<u><u>4,287,312</u></u>	<u><u>5,503,586</u></u>
Capital and reserves			
Called-up share capital	17	50,001	50,001
Share premium account	19	2,193,990	2,193,990
Profit and loss account	20	2,043,321	3,259,595
Equity shareholders' funds	21	<u><u>4,287,312</u></u>	<u><u>5,503,586</u></u>

Approved by the Board and authorised for issue on 16 September 2010



G Barry Gregory
Director

Company Registration No 04184646

GREGORY PROPERTY HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009	2008
		£	£
Net cash inflow from operating activities	23	1,054,317	3,286,134
Returns on investments and servicing of finance			
Interest received		15,263	215,623
Interest paid		(288,098)	(92,410)
Net cash (outflow)/inflow from returns on investments and servicing of finance		(272,835)	123,213
Taxation			
Corporation tax repaid/(paid)		20,287	(745,146)
Capital expenditure			
Payments to acquire tangible fixed assets		(2,358,609)	(7,024,846)
Receipts from sales of tangible fixed assets		196,362	(2,162,247)
		(2,162,247)	(7,024,796)
Acquisitions and disposals			
Purchase of interests in subsidiary		-	(50)
Net overdrafts acquired with subsidiary		-	(617,293)
		-	(617,343)
Equity dividends paid		(620,000)	(265,000)
Net cash (outflow) before financing		(1,980,478)	(5,242,938)
Financing			
Debt due within one year			
Increase in short term borrowings		2,865,521	4,228,910
Repayment of short term loan		(4,100,000)	(1,309,000)
Debt due after more than one year			
New long term loan		4,100,000	-
Capital element of finance lease repayment		(18,442)	(31,749)
Net cash inflow from financing		2,847,079	2,888,161
Increase/(decrease) in cash		866,601	(2,354,777)

See note 23 for the notes to this statement

GREGORY PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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.

As described in the directors' report on page 2 the current economic environment is difficult and the group has reported an operating loss for the year.

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

Compliance with accounting standards

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).

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, Horsforth Office Park Limited and Gregory Projects (Burnley) 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 £93,315 (2008 £58,905).

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

GREGORY PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies (continued)

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.

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.

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

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.

Finance costs capitalised

Finance costs that are directly attributable to the construction of a tangible fixed asset or a development in progress are capitalised as part of the cost of these assets.

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.

Pension costs

The group operates a defined contribution money purchase pension scheme. Contributions to the pension scheme are charged to the profit and loss account as they arise.

Government grants

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

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company'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.

Turnover arising from the joint venture is as follows	2009 £	2008 £
Turnover group and share of joint venture	1,538,717	15,778,838
Less share of joint venture's turnover	-	(2,169,097)
Group turnover	<u>1,538,717</u>	<u>13,609,741</u>

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

3	Operating (loss)	2009	2008
	Operating (loss) is stated after crediting	£	£
	Net rental income	215,945	168,366
	Profit on transfer/disposal of tangible fixed assets	573,372	-
	and after charging		
	Staff costs (note 4)	393,531	341,013
	Auditors' remuneration		
	audit services	32,000	32,000
	other services	5,000	5,000
	Depreciation of tangible fixed assets (note 10)		
	owned assets	11,259	24,612
	leased assets	24,536	29,728
	Operating lease rentals	71,728	59,592
	Amortisation of tangible fixed assets	-	620,019
4	Directors and employees	2009	2008
	Staff costs including directors' emoluments	£	£
	Wages and salaries	344,123	297,019
	Social security costs	49,228	43,994
		393,351	341,013
	Average monthly number employed including executive directors	Number	Number
	Management	7	7
	Administration staff	3	3
		10	10
	Directors	2009	2008
	Emoluments	£	£
		298,993	220,607
	Emoluments disclosed above included the following amounts paid to the highest paid director		
		2009	2008
		£	£
	Emoluments	223,390	160,086

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

4 Directors and employees (continued)

The following directors had interest free loans during the year The movement on these loans are as follows

	Amounts Outstanding	Maximum
	2009	in year
	£	£
G Barry Gregory	9,675	1,291
	9,675	9,675

5 Interest receivable

	2009	2008
	£	£
Bank interest	10,655	93,497
Other interest	4,434	3,504
	15,089	97,001

6 Interest payable

	2009	2008
	£	£
Bank interest	62,178	78,288
Bank loan interest	222,230	-
Other interest	5,057	10,882
Hire purchase interest	-	2,618
	289,465	91,788

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

7	Taxation	2009	2008
		£	£
	Domestic current year taxation		
	UK Corporation tax	303	8
	Adjustment in respect of past year	-	(12,947)
		<hr/>	<hr/>
	Current tax charge	303	(12,939)
	Deferred tax		
	Deferred tax (credit)/debit current year	19,544	(10,616)
		<hr/>	<hr/>
		19,847	(23,555)
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	(Loss) on ordinary activities before taxation	(935,124)	(19,376)
		<hr/>	<hr/>
	(Loss)/profit on ordinary activities multiplied by standard rate of U K Corporation tax of 28% (2008 28 00%)	(261,835)	(5,425)
	Effects of		
	Non deductible expenses	5,327	10,933
	Depreciation add back	10,029	15,215
	Capital allowances	(29,573)	(4,417)
	Losses utilised in year	-	(157,088)
	Losses carried forward	136,457	20,134
	Adjustments to previous periods	-	(34,413)
	Other tax adjustments	139,898	142,122
		<hr/>	<hr/>
	Current tax charge	303	(12,939)
		<hr/>	<hr/>

An effective corporation tax rate of 28 00% (2008 30 00%) has been used as directors consider that this is the rate applicable to the group taking into account its level of profits

8	Dividends	2009	2008
		£	£
	Ordinary interim dividend paid	620,000	254,500
		<hr/>	<hr/>

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

9 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 year end date are as follows

	2009 £	2008 £
Loans provided to/(by):		
Dixon Gregory Limited	-	30,000
Thane Developments Limited	-	(43,576)
Expenses recharged to:		
Dixon Gregory Limited	4,018	-
Eshton Gregory (Birstall) Limited	-	6,589
Eshton Gregory (Hebden Bridge) Limited	133	133
Eshton Gregory (Clough Road) Limited	158	158
Gregory Property Developments Limited	1,010	3,435
Gregory Property Developments (Killingbeck) Limited	2,133	-
Balances due from/(to) at the year end:		
Horsforth Office Park Limited	259,331	259,331
Chartist Development Co Limited	-	(139)
Dixon Gregory Limited	30,000	30,000
Eshton Gregory (Birstall) Limited	-	3,205
Gregory Property Developments Limited	1,161	4,029
Gregory Property Developments (Killingbeck) Limited	6,483	4,029
Thane Developments Limited	(91,116)	(91,116)

D J Brumblecombe is a director of the following companies

Thane Developments Limited
Eshton Gregory (Birstall) Limited
Eshton Gregory (Clough Road) Limited
Eshton Gregory (Hebden Bridge) Limited
Gregory Property Developments Limited
Gregory Property Developments (Killingbeck) Limited

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

10 Tangible fixed assets

Group	Motor vehicles £	Fixtures and fittings £	Investment properties £	Total £
Cost or valuation				
At 1 January 2009	223,257	106,629	9,568,496	9,898,382
Additions	-	-	2,858,609	2,858,609
Disposals	(194,661)	-	(4,715,549)	(4,910,210)
Revaluation	-	-	(330,000)	(330,000)
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2009	28,596	106,629	7,381,556	7,516,781
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2009	92,812	65,026	-	157,838
Charge for year	29,315	6,480	-	35,795
Disposals	(100,637)	-	-	(100,637)
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2009	21,490	71,506	-	92,996
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
31 December 2009	7,106	35,123	7,381,556	7,423,785
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2008	130,445	41,603	9,568,496	9,740,544
	<hr/>	<hr/>	<hr/>	<hr/>

The net book amount of fixed assets includes £Nil (2008 £81,751) 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 December 2009 amounted to £7,139,679 (2008 £8,896,619)

Interest costs of £189,730 (2008 £151,868) have been capitalised

Sycamore House, Knowsthorpe Lane, Leeds was valued by King Sturge & Co, Chartered Surveyors on 21 December 2009. The Unit at Calder Vale Road, Burnley was valued by Colliers CRE, Chartered Surveyors on 15 June 2010. In the opinion of the directors, there is no significant variation to these values as at the year end date.

The gross amount of assets, on which no deprecation has been charged, held for use under operating leases is £7,381,556 (2008 £9,568,496)

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

11 Fixed assets investments

Company	Listed investments £	Shares in participating interests £	Shares in group undertakings £	Company total £
Cost				
At 1 January 2009	50,000	7,800	759,646	817,446
Disposals	-	(50)	(74)	(124)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	50,000	7,750	759,572	817,322
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions for diminution in value				
At 1 January 2009	1,000	-	-	1,000
Charge for year	(1,000)	-	-	(1,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2009	50,000	7,750	759,572	817,322
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	49,000	7,800	759,646	816,446
	<hr/>	<hr/>	<hr/>	<hr/>

Company	Country of registration or incorporation	Principal activity	Class of shares held	% of ordinary shares held
Subsidiary undertakings:				
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	74
Gregory Projects (Oak Beck) Limited	England	Property Development	£1 Ordinary	100
Gregory Projects (Burnley) Limited	England	Property Development	£1 Ordinary	100
Gregory Projects (Halifax) Limited	England	Property Development	£1 Ordinary	100

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

11 Fixed assets investments (continued)

Joint ventures:

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

Company	Capital and reserves 2009 £	Profit/(loss) for the year 2009 £
Gregory Properties Limited	(222,918)	(11,233)
Gregory Projects Limited	(84,588)	(85,356)
Gregory Property Investments Limited	1,825,728	(146,082)
Horsforth Office Park Limited	(178,415)	(36,535)
Gregory Projects (Oak Beck) Limited	(652,398)	(382,684)
Gregory Projects (Burnley) Limited	684	(316)
Gregory Projects (Halifax) Limited	18,073	408,898

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

	At 31 December 2009 £	At 31 December 2008 £
Share of		
Current assets	1,716,374	1,767,177
Liabilities within one year	(1,902,930)	(1,799,358)
	<u>(186,556)</u>	<u>(32,181)</u>

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

12	Developments in progress	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
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There are 2 (2008 3) developments in progress valued at

4,886,584	-	1,382,390	-
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Developments in progress include capitalised interest of £113,475 (2008 £94,455)

13	Debtors	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
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Trade debtors	376,110	-	102,997	57,500
Amounts receivable on long term contracts	30,300	-	1,431,653	-
Amounts owed by group undertakings	-	2,869,359	-	3,400,851
Corporation tax debtor	703	-	74,682	-
Other debtors	645,505	133,750	719,715	147,998
Prepayments and accrued income	36,768	-	41,201	-
Deferred tax asset	-	-	13,344	-

1,089,386	3,003,109	2,283,592	3,606,349
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14	Creditors: amounts falling due within one year	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
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Bank loans	-	-	2,830,663	-
Bank overdrafts	1,246,190	-	2,310,605	11,111
Trade creditors	468,044	-	722,763	139
Amounts due to group undertakings	-	105,508	-	-
Corporation tax	303	-	53,700	-
Other taxes and social security	51,257	39,420	15,061	50
Other loans	3,846,184	-	2,250,000	-
Other creditors	114,231	7,482	119,725	-
Obligations under finance leases and hire purchase contracts	-	-	18,442	-
Accruals and deferred income	305,661	-	369,997	-

6,031,870	152,410	8,690,956	11,300
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Borrowings from Yorkshire Bank Plc are secured by a cross guarantee between the companies in the group

The Guernsey Investments Limited loan of £3,250,000 (2008 £2,060,000) included in other loans is secured by a fixed and floating debenture and a first legal charge over the land at Broad Street, Halifax

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Bank loans	4,100,000	-	-	-
Analysis of loans				
Wholly repayable within five years	4,100,000	-	2,830,663	-
Included in current liabilities	-	-	(2,830,663)	-
	<u>4,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In the second to fifth year	4,100,000	-	-	-
	<u>4,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Legal charges are held by Yorkshire Bank Plc over the land at Knowsthorpe Lane, Leeds and by Clydesdale Bank Plc over the land at Calder Vale Road and Ashfield Road, Burnley

16 Provisions for liabilities and charges

	Group Deferred tax liability £
Balance at 1 January 2009	(13,344)
Profit and loss account	19,544
	<u>6,200</u>
Balance at 31 December 2009	<u>6,200</u>

The deferred tax liability is made up as follows.-

	2009 £	2008 £
Accelerated/Decelerated capital allowances	(6,200)	(13,344)
	<u>(6,200)</u>	<u>(13,344)</u>

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

17	Called-up share capital			2009	2008
				£	£
	Authorised				
	50,001 Ordinary shares of £1 each			50,001	50,001
				<u></u>	<u></u>
	Allotted called-up and fully-paid				
	50,001 Ordinary shares of £1 each			50,001	50,001
				<u></u>	<u></u>
18	Share premium account				
		Group	Company	Group	Company
		2009	2009	2008	2008
		£	£	£	£
	At 1 January 2009 and 31 December 2009	2,193,990	2,193,990	2,193,990	2,193,990
		<u></u>	<u></u>	<u></u>	<u></u>
19	Revaluation reserve	Group	Company	Group	Company
		2009	2009	2008	2008
		£	£	£	£
	1 January 2009	671,877	-	671,877	-
	Revaluation during the year	(330,000)	-	-	-
		<u></u>	<u></u>	<u></u>	<u></u>
	31 December 2009	341,877	-	671,877	-
		<u></u>	<u></u>	<u></u>	<u></u>
	The balance relates to the revaluation of investment properties				
20	Profit and loss account	Group	Company	Group	Company
		2009	2009	2008	2008
		£	£	£	£
	1 January 2009	3,224,008	3,259,595	3,484,309	3,468,489
	(Loss)/profit for the year	(945,495)	(596,274)	4,699	56,106
	Dividends paid	(620,000)	(620,000)	(265,000)	(265,000)
		<u></u>	<u></u>	<u></u>	<u></u>
	31 December 2009	1,658,513	2,043,321	3,224,008	3,259,595
		<u></u>	<u></u>	<u></u>	<u></u>

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

21 Reconciliation of movements in shareholders' funds

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
(Loss)/profit on ordinary activities after taxation	(954,971)	(596,274)	4,179	56,106
Other recognised losses	(330,000)	-	-	-
Dividends	(620,000)	(620,000)	(265,000)	(265,000)
Net (reduction) to shareholders' funds	(1,904,971)	(1,216,274)	(260,821)	(208,894)
Opening shareholders' funds	6,103,019	5,503,586	6,363,840	5,712,480
Minority interests	(103)	-	-	-
Closing shareholders' funds	4,197,945	4,287,312	6,103,019	5,503,586

22 Deferred taxation

A deferred tax asset of £377,128 (2008 £59,240) 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.

23 Notes to the cash flow statement

Reconciliation of operating profit to operating cash flows

	2009 £	2008 £
Operating (loss)	(1,080,719)	(232,302)
Depreciation charges	35,795	54,340
Profit on disposal of fixed assets	24	-
Amortisation charges	-	620,019
(Increase)/Decrease in developments in progress	1,182,390	1,330,297
Decrease in debtors	1,002,114	3,271,588
(Decrease) in creditors	(85,287)	(1,757,808)
Net cash inflow from operating activities	1,054,317	3,286,134

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

23 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At 1 January 2009 £	Cash flows £	Other non-cash changes £	At 31 December 2009 £
Cash in hand, at bank	1,264,380	(197,814)	-	1,066,566
Overdrafts	(2,310,605)	1,064,415	-	(1,246,190)
	<u>(1,046,225)</u>	<u>866,601</u>	<u>-</u>	<u>(179,624)</u>
Debt due within 1 year	(5,080,663)	1,234,479	-	(3,846,184)
Debt due after 1 year	-	(4,100,000)	-	(4,100,000)
Finance leases	(18,442)	18,442	-	-
	<u>(5,099,105)</u>	<u>(2,847,079)</u>	<u>-</u>	<u>(7,946,184)</u>
Total	<u>(6,145,330)</u>	<u>(1,980,478)</u>	<u>-</u>	<u>(8,125,808)</u>

Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
Increase/decrease) in cash in the period	866,601	(2,354,777)
Cash (inflow) from (increase) in debt	(2,847,079)	(2,753,161)
Change in net debt resulting from cash flows	<u>(1,980,478)</u>	<u>(5,107,938)</u>
Loans and finance leases acquired with subsidiary	-	(986,753)
Movement in net debt resulting in the period	<u>(1,980,478)</u>	<u>(6,094,691)</u>
Opening net debt	<u>(6,145,330)</u>	<u>(50,639)</u>
	<u>(8,125,808)</u>	<u>(6,145,330)</u>

GREGORY PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009**

24 Financial commitments

At 31 December 2009 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Operating leases which expire				
Between two and five years	-	-	-	3,358
In over five years	48,012	48,012	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	48,012	48,012	-	3,358
	<hr/>	<hr/>	<hr/>	<hr/>

26 Ultimate parent undertaking and control

The company's immediate parent company at the balance sheet date is Gregory Property Group Limited (formerly, Norwood Securities 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, together with family members