

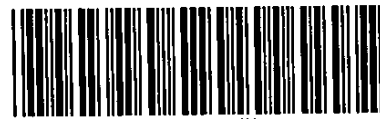
Registered number 04259484

ENVIRON (KENT) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

FRIDAY



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COMPANIES HOUSE

ENVIRON (KENT) LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | James B Sunley Rory W Gleeson |
| Company secretary | Sunley Securities Limited |
| Company number | 04259484 |
| Registered office | 20 Berkeley Square London W1J 6LH |
| Auditors | haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY |

ENVIRON (KENT) LIMITED

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ENVIRON (KENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activity

The principal activity of the company is residential development

Results and dividends

The profit for the year, after taxation, amounted to £874,680 (2010 - loss £26,346)

The directors do not propose the payment of a dividend (2009 £Nil)

Directors

The directors who served during the year were

James B Sunley
Rory W Gleeson

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

Provision of information to auditors

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

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

Auditors

The auditors, Haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 April 2012 and signed on its behalf



James B Sunley
Director

ENVIRON (KENT) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ENVIRON (KENT) LIMITED

We have audited the financial statements of Environ (Kent) Limited for the year ended 31 December 2011, set out on pages 4 to 9. 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 directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

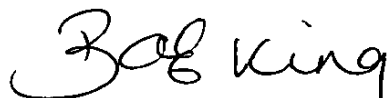
ENVIRON (KENT) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ENVIRON (KENT) LIMITED

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



Bernadette King (Senior statutory auditor)

for and on behalf of

haysmacintyre

Statutory Auditors

Fairfax House

15 Fulwood Place

London

WC1V 6AY

11 April 2012

ENVIRON (KENT) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | Note | 2011 £ | 2010 £ |
|---|------|-------------|-----------|
| TURNOVER | 1 | 4,971,000 | - |
| Cost of sales | | (4,024,662) | (3,095) |
| GROSS PROFIT/(LOSS) | | 946,338 | (3,095) |
| Administrative expenses | | (7,346) | (399) |
| OPERATING PROFIT/(LOSS) | | 938,992 | (3,494) |
| Interest payable and similar charges | 4 | (64,312) | (22,852) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 874,680 | (26,346) |
| Tax on profit/(loss) on ordinary activities | 5 | - | - |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 874,680 | (26,346) |

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 6 to 9 form part of these financial statements

ENVIRON (KENT) LIMITED
REGISTERED NUMBER 04259484

BALANCE SHEET
AS AT 31 DECEMBER 2011

| | Note | 2011 £ | 2010 £ |
|--|------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Stocks | 6 | 1,946,735 | 2,939,382 |
| Debtors | 7 | 998,001 | 384,439 |
| Cash at bank | | 266,339 | 113,262 |
| | | <u>3,211,075</u> | <u>3,437,083</u> |
| CREDITORS amounts falling due within one year | 8 | <u>(6,035,474)</u> | <u>(7,136,162)</u> |
| NET CURRENT LIABILITIES | | <u>(2,824,399)</u> | <u>(3,699,079)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(2,824,399)</u> | <u>(3,699,079)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | 10 | <u>(2,824,499)</u> | <u>(3,699,179)</u> |
| SHAREHOLDERS' DEFICIT | 11 | <u>(2,824,399)</u> | <u>(3,699,079)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 April 2012


James B Sunley
 Director

The notes on pages 6 to 9 form part of these financial statements

ENVIRON (KENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis on the assumption that financial support from the parent company will continue for the foreseeable future

1.2 Turnover

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

1.3 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.4 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted

1.5 Financial Charges

All financial charges including interest payable and arrangement fees are written off as incurred. No interest is capitalised

2. TURNOVER

The whole of the turnover is attributable to sale of property in the year

All turnover arose within the United Kingdom

ENVIRON (KENT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2010 - £NIL)

4. INTEREST PAYABLE

| | 2011 £ | 2010 £ |
|--------------------------------|---------------|---------------|
| Interest payable on bank loans | <u>64,312</u> | <u>22,852</u> |

5. TAXATION**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 26% (2010 - 28%) The differences are explained below

| | | |
|---|------------------|-----------------|
| Profit/loss on ordinary activities before tax | <u>874,680</u> | <u>(26,346)</u> |
| Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%) | 227,417 | (7,377) |
| Effects of. (Utilisation of tax losses)/losses carried forward | <u>(227,417)</u> | <u>7,377</u> |
| Current tax charge for the year (see note above) | <u>-</u> | <u>-</u> |

Factors that may affect future tax charges

There were no factors that may affect future tax charges

6. STOCKS

| | 2011 £ | 2010 £ |
|---------------------------------|------------------|------------------|
| Properties held for development | <u>1,946,735</u> | <u>2,939,382</u> |

ENVIRON (KENT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011****7. DEBTORS**

| | 2011 £ | 2010 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 405,146 | - |
| Other debtors | 585,534 | 384,439 |
| Prepayments and accrued income | 7,321 | - |
| | <u>998,001</u> | <u>384,439</u> |

Included within other debtors is £384,334 that relates to amounts due from the sale of properties where the company has entered into a shared equity agreement with the purchaser. The directors performed an internal valuation on the properties in question at 31 December 2011 on the basis of an open market valuation which showed that they believe the amount to be fully recoverable under the terms of the agreement.

8. CREDITORS**Amounts falling due within one year**

| | | |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts | - | 1,253,420 |
| Trade creditors | 11,731 | 1,928 |
| Amounts owed to group undertakings | 5,027,264 | 5,763,032 |
| Other creditors | 300,000 | - |
| Accruals and deferred income | 696,479 | 117,782 |
| | <u>6,035,474</u> | <u>7,136,162</u> |

9. SHARE CAPITAL**Allotted, called up and fully paid**

| | | |
|--------------------------------|------------|------------|
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
|--------------------------------|------------|------------|

10. RESERVES

| | |
|---------------------|---------------------------------|
| | Profit and loss account £ |
| At 1 January 2011 | (3,699,179) |
| Profit for the year | 874,680 |
| At 31 December 2011 | <u>(2,824,499)</u> |

ENVIRON (KENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

| | 2011 £ | 2010 £ |
|-------------------------------|-------------|-------------|
| Opening shareholders' deficit | (3,699,079) | (3,672,733) |
| Profit/(loss) for the year | 874,680 | (26,346) |
| | <hr/> | <hr/> |
| Closing shareholders' deficit | (2,824,399) | (3,699,079) |
| | <hr/> | <hr/> |

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is Sunley Family Limited. Sunley Family Limited is the head of the largest group of companies of which the company is a member that prepares group financial statements.

The smallest group of companies of which the company is a member, that prepares group financial statements, is headed by Sunley Holdings Plc.

Both Sunley Family Limited and Sunley Holdings Plc are registered in England and Wales.

Group financial statements for both Sunley Family Limited and Sunley Holdings Plc are available to the public, on payment of the appropriate fee, from the registrar of Companies at Companies House, Crown Way, Cardiff, CF4 3UZ.