

**Gorse Stacks Development Limited**

**Report and Financial Statements**

**for the year ended 30 September 2013**



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## **Gorse Stacks Development Limited**

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### **Company Information**

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<b>Directors</b>	G Watkin Jones M Watkin Jones P M Byrom
<b>Company secretary</b>	P M Byrom
<b>Company number</b>	04351332
<b>Registered office</b>	c/o Watkin Jones & Son Limited Llandygai Industrial Estate Bangor Gwynedd LL57 4YH
<b>Auditors</b>	Ernst & Young LLP 20 Chapel Street Liverpool L3 9AG

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**Gorse Stacks Development Limited**

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## **Gorse Stacks Development Limited**

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### **Directors' report for the year ended 30 September 2013**

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The directors present their report and the financial statements for the year ended 30 September 2013

#### **Principal activities and review of the business**

The company's principal activity is that of property developer

During the year the company progressed with the development of an integrated resource health centre, offices and residential accommodation at the main Gorse Stacks site which the company owns in Chester

#### **Results and dividends**

The profit for the year, after taxation, amounted to £Nil (2012 - £Nil)

The directors did not recommend a dividend for the period (2012 - £Nil)

#### **Directors and their interests**

The directors who served during the year were

G Watkin Jones  
M Watkin Jones  
P M Byrom (appointed 2 September 2013)

#### **Future developments**

The company expects to conclude a sale of the health centre and offices and to progress with the development works during the year

#### **Principal risks and uncertainties**

The principal risks and uncertainties of the company relate to the successful conclusion of the sale of the health centre and offices and the completion of the development works

The directors have considered the carrying value of the company's work in progress, which is stated at the lower of cost and net realisable value, and are satisfied that no write down is required

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**Go rse Stacks Development Limited**

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**Directors' report (continued)  
for the year ended 30 September 2013**

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**Directors' qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the companies Act 2006. Such a qualifying third party indemnity provision remains in force at the date of approving the directors' report.

**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, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 22 January 2014 and signed on its behalf



**P M Byrom**  
Secretary

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**Gorse Stacks Development Limited**

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**Statement of directors' responsibilities  
for the year ended 30 September 2013**

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

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

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

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

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## **Independent auditors' report to the shareholders of Gorse Stacks Development Limited**

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We have audited the financial statements of Gorse Stacks Development Limited for the year ended 30 September 2013, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 8. 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 Statement of directors' responsibilities, 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 30 September 2013 and of its results 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.

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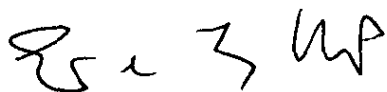
**Independent auditors' report to the shareholders of Gorse Stacks Development Limited (continued)**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Barry Flynn (Senior statutory auditor)

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

Statutory Auditor

Liverpool  
Date 28/1/2014



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**Gorse Stacks Development Limited**

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**Profit and loss account  
for the year ended 30 September 2013**

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	<i>Note</i>	<i>2013</i> <i>£</i>	<i>2012</i> <i>£</i>
<b><i>Profit on ordinary activities before taxation</i></b>		—	—
Tax on profit on ordinary activities		—	—
<b><i>Profit on ordinary activities after taxation</i></b>		—	—
<b><i>Profit brought forward</i></b>		—	—
<b><i>Retained profit carried forward</i></b>		—	—

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 8 to 9 form part of these financial statements

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**Gorse Stacks Development Limited**  
**Registered number: 04351332**

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**Balance sheet**  
**as at 30 September 2013**

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	<i>Note</i>	<i>£</i>	<i>2013</i> <i>£</i>	<i>£</i>	<i>2012</i> <i>£</i>
<b>Current assets</b>					
Stocks	3	<u>16,132,982</u>		<u>10,202,476</u>	
		16,132,982		10,202,476	
<b>Creditors: amounts falling due within one year</b>	4	<u>(16,132,981)</u>		<u>(10,202,475)</u>	
<b>Net current assets</b>			<u>1</u>		<u>1</u>
<b>Total assets less current liabilities</b>			<u>1</u>		<u>1</u>
<b>Capital and reserves</b>					
Called up share capital	5		<u>1</u>		<u>1</u>
<b>Shareholders' funds</b>	6		<u>1</u>		<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 January 2014



**M Watkin Jones**  
Director

**Notes to the financial statements  
for the year ended 30 September 2013**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

**1.2 Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

**1.3 Stock and work in progress**

Stock and work in progress are stated at the lower of cost and net realisable value. Cost comprises all costs directly attributable to the purchasing and development of the property, including the acquisition of land and buildings, legal costs, attributable overheads, attributable finance costs and the cost of bringing developments to their present condition at the balance sheet date. Rental income arising during the development of the property is capitalised into its carrying value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

**1.4 Deferred taxation**

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

**2. Directors remuneration and auditors remuneration**

There have not been any directors' remuneration paid during the year. There were no employees of the company apart from the directors.

Auditors remuneration of £500 (2012 – £500) has been borne by Watkin Jones and Son Limited.

**3. Stocks and work in progress**

	2013 £	2012 £
Work in progress	<u>16,132,982</u>	<u>10,202,476</u>

Work in progress includes attributable finance charges amounting to £664,153 (2012 – £664,153)

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## Gorse Stacks Development Limited

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### Notes to the financial statements for the year ended 30 September 2013

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

	2013 £	2012 £
Amounts owed to group undertakings	16,132,981	10,202,475
	<u>16,132,981</u>	<u>10,202,475</u>

**5. Share capital**

	2013 £	2012 £
<i>Allotted, called up and partly paid</i>		
1- Ordinary share of £1	<u>1</u>	<u>1</u>

**6. Reconciliation of shareholders' funds and movement on reserves**

	2013 £	2012 £
Shareholders' funds at 1 October 2012 and 30 September 2013	<u>1</u>	<u>1</u>

**7. Contingent liabilities**

The company is party to counter indemnities in respect of performance bonds entered into by other group companies with HCC International Plc and the Electrical Contractors' Insurance Company Limited which amounted to £372,500 at 30 September 2013 (2012 – £2,111,200) No material liability is expected to arise as a result of these arrangements

**8. Immediate and ultimate parent company**

The company's immediate parent company is Newmark Developments Limited, which as at 30 September 2013, held 100% of the issued share capital of Gorse Stacks Development Limited

The ultimate parent company is Watkin Jones Group Limited The smallest and largest group of undertakings in which the company is consolidated is Watkin Jones Group Limited Copies of its group accounts, which include the company, are available from its registered office Units 21-22, Llandygai Industrial Estate, Bangor, Gwynedd, LL57 4YH

Advantage has been taken of the exemption provided by FRS 8 3c 'Related Party Transactions' and transactions with other group undertakings have not been disclosed in the accounts