

COMPANIES HOUSE COPY

Shottery Brook Developments Limited

Report and Financial Statements

Year Ended

31 March 2008

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BDO

BDO Stoy Hayward
Chartered Accountants

Shottery Brook Developments Limited

Annual report and financial statements for the year ended 31 March 2008

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Directors

I Kolodotschko
DK Newcombe

Secretary and registered office

DK Newcombe, Lombard House, Worcester Road, Stourport-on-Severn, Worcestershire, DY13 9BZ

Company number

4642922

Auditors

BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD

Bankers

HSBC Bank Plc, 37 High Street, Stourport-on-Severn, Worcestershire, DY13 8BD

Shottery Brook Developments Limited

Report of the directors for the year ended 31 March 2008

The directors present their report together with the audited financial statements for the year ended 31 March 2008

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year

Principal activities, review of business and future developments

The company's principal activity is the purchase and development of property for sale

The company has completed construction of its principal development with a majority of its units either being sold or rented to tenants

The loss in the year is a result of the directors' decision to recognise in full certain costs that were previously classified as work in progress

The company has a positive cash balance and is self funding in that rents receivable and other receipts are expected to meet all cash flow requirements for at least the next 12 months. Hence the directors do not consider there to be a going concern issue

Directors

The directors of the company during the year were

I Kolodotschko

RW Morris (Resigned 1 February 2008)

DK Newcombe (Appointed 1 February 2008)

DK Newcombe is also a director of Thomas Vale Holdings Limited, a joint shareholder in the company

Principal risks and uncertainties

As in any trading organisation, the directors acknowledge that as well as rewards, there are risks and uncertainties which are constantly monitored. The company is dependent upon the efficiency of its employees in satisfying its customers' needs and in the identification and consequent reduction of contract risks in the work undertaken. Systems are in place to ensure effective monitoring of these issues

Financial instruments

The company holds financial instruments to finance its operations and manages risks arising from these operations and its sources of finance in accordance with its accounting policies

In addition, various financial instruments such as trade debtors, amounts recoverable on contracts and trade creditors arise directly from the company's operations. The company performs credit checks for all significant customers to minimise bad debt risk

Operations and working capital requirements are funded principally out of short term banking facilities, inter-group loans and retained profits

Shottery Brook Developments Limited

Report of the directors for the year ended 31 March 2008 (*Continued*)

Directors' responsibilities

The directors are responsible for preparing the annual report and 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 year. 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 1985. 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board


DK Newcombe

Director

28 July 2008

Shottery Brook Developments Limited

Independent auditor's report

To the shareholders of Shottery Brook Developments Limited

We have audited the financial statements of Shottery Brook Developments Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

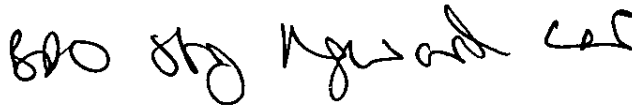
Shottery Brook Developments Limited

Independent auditor's report (*Continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Birmingham

28 July 2008

Shottery Brook Developments Limited**Profit and loss account for the year ended 31 March 2008**

	Note	2008 £	2007 £
Turnover		1,167,528	998,000
Cost of sales		881,853	663,577
		<hr/>	<hr/>
Gross profit		285,675	334,423
Administrative expenses		194,158	184,037
		<hr/>	<hr/>
Operating profit	2	91,517	150,386
Interest receivable and similar income		2,056	661
Interest payable and similar charges	4	(312,259)	(151,047)
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation for the financial year		(218,686)	-
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the loss for the year.

The notes on pages 8 to 12 form part of these financial statements

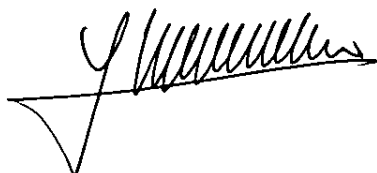
Shottery Brook Developments Limited

Balance sheet at 31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Current assets					
Stocks	6	1,472,973		2,720,624	
Debtors	7	16,817		18,857	
Cash at bank and in hand		172,487		184,155	
		<u>1,662,277</u>		<u>2,923,636</u>	
Creditors: amounts falling due within one year	8	<u>1,879,295</u>		<u>2,921,968</u>	
Total assets less current liabilities			(217,018)		1,668
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		(217,118)		1,568
Shareholders' funds			(217,018)		1,668

The financial statements were approved by the board of directors and authorised for issue on 28 July 2008

I Kolodotschko
Director



The notes on pages 8 to 12 form part of these financial statements

Shottery Brook Developments Limited

Cash flow statement for the year ended 31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Net cash inflow from operating activities	13		1,310,130		1,085,389
Returns on investments and servicing of finance					
Interest received		2,056		661	
Interest paid other		(312,259)		(151,047)	
Net cash outflow from returns on investments and servicing of finance			(310,203)		(150,386)
Cash inflow before financing			999,927		935,003
Financing					
Loans repaid			(1,011,595)		(810,352)
(Decrease)/increase in cash	14		(11,668)		124,651

The notes on pages 8 to 12 form part of these financial statements

Shottery Brook Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2008

1 Accounting policies

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

The following principal accounting policies have been applied

Going concern

The directors of the company have confirmed that continued trading activity is supported by the market value of the properties which the company is developing for resale. In addition to this, the company has positive cash balances and is self funding in that rents receivable and other receipts are expected to meet the company's cash flow requirements for a period of not less than 12 months from the date the balance sheet is signed. Accordingly, the financial statements are prepared on a going concern basis.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in the purchase and development of property. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Financial Instruments

Details of the financial risk management objectives and policies and details of the use of financial instruments by the company are provided in note 11 to the financial statements.

Dividends

In accordance with FRS 21 - Events after the balance sheet date, dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid by the company. In the case of final dividends, this is when approved by the shareholders.

2 Operating profit

	2008 £	2007 £
This is arrived at after charging		
Audit services	2,250	1,600
Non-audit services	-	600
	<hr/>	<hr/>

3 Directors' remuneration

No director received any emoluments during the current year (2007 - £NIL)

Shottery Brook Developments Limited**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****4 Interest payable and similar charges**

	2008	2007
	£	£
Bank loan interest	312,259	151,047

5 Taxation on loss on ordinary activities

No tax charge arises on the result for the year (2006 - £Nil)

6 Stocks

	2008	2007
	£	£
Work in progress	1,472,973	2,720,624

Work in progress includes interest on borrowed capital amounting to £Nil (2007 - £239,140)

There is no material difference between the replacement cost of stocks and the amounts stated above

7 Debtors

	2008	2007
	£	£
Trade debtors	16,817	7,700
Other debtors	-	11,157
	16,817	18,857

All amounts shown under debtors fall due for payment within one year.

Shottery Brook Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loan (secured)	-	1,011,595
Trade creditors	1,871	71,442
Amounts owed to associated undertakings	1,811,309	1,667,163
Taxation and social security	66,115	171,768
	<u>1,879,295</u>	<u>2,921,968</u>

The bank loan is secured by a fixed charge over the assets of the company

9 Share capital

	2008 £	Authorised 2007 £	Allotted, called up and fully paid 2008 £	2007 £
50 'A' Ordinary shares of £1 each	50	50	50	50
50 'B' Ordinary shares of £1 each	50	50	50	50
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The holders of a majority of each class of share may from time to time appoint any person to be a director up to a maximum of 2 for each class of share. The shareholders are entitled to one vote per share. The chairman of a general meeting of shareholders is not entitled to a second or casting vote. In all other respects, the shares rank *pari passu*.

10 Reserves

	Profit and loss account £
At 1 April 2007	1,568
Loss for the year	(218,686)
	<u>(217,118)</u>
At 31 March 2008	

Shottery Brook Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

11 Financial instruments

The company holds financial instruments to finance its operations and manages risks arising from these operations and its sources of finance in accordance with its accounting policies

In addition, various financial instruments such as trade debtors, trade creditors and bank loans arise directly from the company's operations. The company performs credit checks for all significant customers to minimise bad debt risk.

Operations and working capital requirements are funded principally out of short term banking facilities, inter-group loans and retained profits

12 Related party disclosures

Controlling parties

The company is controlled as a joint venture between Thomas Vale Holdings Limited and Color Estates Limited

Related party transactions and balances

	Purchases of construction services from related party	Management services rendered by related party	Amounts owed to related party
	£	£	£
Related party			
2008			
Color Estates Limited	-	-	703,726
Thomas Vale Holdings Limited	-	-	1,098,598
Thomas Vale Construction PLC	-	-	8,985
2007			
Color Estates Limited	-	70,921	703,211
Thomas Vale Holdings Limited	-	70,921	963,952

Color Estates Limited and Thomas Vale Holdings Limited are members of the company. Thomas Vale Construction PLC is a member of the Thomas Vale Holdings Limited group of companies.

The amounts due to Color Estates Limited and Thomas Vale Holdings Limited represent either interest free loans or outstanding trading accounts

Shottery Brook Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

13 Reconciliation of operating profit to net cash inflow from operating activities

	2008 £	2007 £
Operating profit	91,517	150,386
Decrease in stocks	1,247,651	544,526
Decrease/(increase) in debtors	2,040	(15,857)
(Decrease)/increase in creditors	(31,078)	406,334
	<u>1,310,130</u>	<u>1,085,389</u>
Net cash inflow from operating activities	<u>1,310,130</u>	<u>1,085,389</u>

14 Reconciliation of net cash flow to movement in net debt

	2008 £	2007 £
(Decrease)/increase in cash	(11,668)	124,651
Cash outflow from changes in debt	1,011,595	810,352
	<u>999,927</u>	<u>935,003</u>
Movement in net debt	999,927	935,003
Opening net debt	(827,440)	(1,762,443)
	<u>172,487</u>	<u>(827,440)</u>
Closing net funds/(debt)	<u>172,487</u>	<u>(827,440)</u>

15 Analysis of net debt

	At 1 April 2007 £	Cash flow £	At 31 March 2008 £
Cash at bank and in hand	184,155	(11,668)	172,487
Debt due within one year	(1,011,595)	1,011,595	-
	<u>(827,440)</u>	<u>999,927</u>	<u>172,487</u>
Total	<u>(827,440)</u>	<u>999,927</u>	<u>172,487</u>