

REGISTERED NUMBER 4840085 (England and Wales)

Report of the Directors and
Audited Financial Statements
for the Year Ended 31 May 2009
for
Strongvox Ltd

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for the Year Ended 31 May 2009

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Strongvox Ltd

Company Information
for the Year Ended 31 May 2009

DIRECTORS:	B P Amos-Yeo K R Amos-Yeo R Alford T Ballard D G M Cull R Topazio
SECRETARY:	R Topazio
REGISTERED OFFICE:	York House Blackbrook Park Avenue Taunton Somerset TA1 2PX
REGISTERED NUMBER:	4840085 (England and Wales)
AUDITORS:	A C Mole & Sons Chartered Accountants & Statutory Auditor Stafford House Blackbrook Park Avenue Taunton Somerset TA1 2PX
BANKERS:	The Royal Bank of Scotland 36-38 Baldwin Street Bristol BS1 1SN
SOLICITORS:	Clarke Willmott Blackbrook Gate Blackbrook Park Avenue Taunton TA1 2PG

Strongvox Ltd

Report of the Directors **for the Year Ended 31 May 2009**

The directors present their report with the financial statements of the company for the year ended 31 May 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of residential development supplemented by land dealing and a small element of related commercial development

REVIEW OF BUSINESS

Turnover and sales were down on the previous year, given the very difficult trading conditions resulting from the economic downturn and the banking crisis. In line with the reduced activity, the operating costs of the business have been reduced substantially.

In view of continuing market uncertainty, the company has delayed starting some new projects in order to conserve cash resources and also in recognition of its reduced administrative capacity.

DIVIDENDS

No dividends will be distributed for the year ended 31 May 2009

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2008 to the date of this report

B P Amos-Yeo
K R Amos-Yeo
R Alford
T Ballard
D G M Cull
R Topazio

Other changes in directors holding office are as follows

C C Gabb - resigned 31 August 2008

PRINCIPAL RISKS AND UNCERTAINTIES

The housing market remains challenging, as does access to funding for new projects. There are some signs that confidence is returning as the general economy is stabilising. The land market has once again become extremely competitive, there is an ongoing lack of mortgage availability, whilst planning remains difficult and continues to restrict housing supply.

Liquidity and cash flow risks are managed by a number of controls, including a detailed rolling cash flow, to ensure that the company has sufficient working capital to operate efficiently.

The company is aware of potential competitive risks and monitors closely both customer trends and external threats to the business.

The KPIs used by the company relate to health and safety, sales performance by price, volume and margin, and assessing the land bank on a quarterly basis in terms of plot availability against future requirements.

The company recognises the importance of its environmental responsibilities. It monitors the impact and then designs and implements policies, wherever possible, to reduce any damage that might be caused by the company's activity. In addition, the company recognises its health and safety responsibilities for both visitors and employees and ensures that it complies with the relevant legislation.

Strongvox Ltd

Report of the Directors
for the Year Ended 31 May 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting 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,
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD



R Topazio - Director

26 November 2009

**Report of the Independent Auditors to the Shareholders of
Strongvox Ltd**

We have audited the financial statements of Strongvox Ltd for the year ended 31 May 2009 on pages five to eighteen. 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 Sections 495 and 496 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 a Report of the Auditors 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 set out on page three, 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 affairs as at 31 May 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 Report of the Directors 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 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.



Stephen Golby (Senior Statutory Auditor)
for and on behalf of A C Mole & Sons
Chartered Accountants
& Statutory Auditor
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

26 November 2009

Strongvox Ltd**Profit and Loss Account
for the Year Ended 31 May 2009**

	Notes	2009 £	2008 £
TURNOVER	2	15,525,385	18,072,184
Cost of sales		17,534,815	15,117,086
GROSS (LOSS)/PROFIT		(2,009,430)	2,955,098
Administrative expenses		1,299,133	2,194,172
		(3,308,563)	760,926
Other operating income		81,641	64,636
OPERATING (LOSS)/PROFIT	4	(3,226,922)	825,562
Interest receivable and similar income		102,756	141,331
		(3,124,166)	966,893
Interest payable and similar charges	5	648,108	1,805,774
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,772,274)	(838,881)
Tax on loss on ordinary activities	6	11,558	(16,016)
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(3,783,832)	(822,865)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year


TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

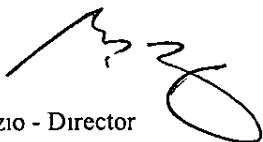
Strongvox Ltd**Balance Sheet**
31 May 2009

	Notes	2009 £	2008 £
ASSETS			
FIXED ASSETS			
Tangible assets	7	21,303	77,289
Investments	8	1	1
		<u>21,304</u>	<u>77,290</u>
CURRENT ASSETS			
Work in progress	9	20,592,459	27,458,120
Debtors	10	1,027,378	775,719
Cash at bank		1,252,485	4,241,931
		<u>22,872,322</u>	<u>32,475,770</u>
		<u>22,893,626</u>	<u>32,553,060</u>
LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	11	960,000	960,000
Share premium	12	32,000	32,000
Profit and loss account	12	(4,549,983)	(766,151)
SHAREHOLDERS' FUNDS	19	(3,557,983)	225,849
PROVISIONS FOR LIABILITIES	13	95,952	97,622
CREDITORS	14	26,355,657	32,229,589
		<u>22,893,626</u>	<u>32,553,060</u>

The financial statements were approved by the Board of Directors on 26 November 2009 and were signed on its behalf by



D G M Cull - Director



R Topazio - Director

The notes form part of these financial statements

Strongvox Ltd**Cash Flow Statement
for the Year Ended 31 May 2009**

		2009	2008
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	944,994	(4,867,782)
Returns on investments and servicing of finance	2	(545,352)	(1,664,689)
Taxation		-	(6,260)
Capital expenditure	2	(7,138)	7,795
		392,504	(6,530,936)
Financing	2	(3,375,047)	2,926,400
Decrease in cash in the period		(2,982,543)	(3,604,536)
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(2,982,543)	(3,604,536)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		3,375,047	(2,734,400)
Change in net debt resulting from cash flows		392,504	(6,338,936)
Movement in net debt in the period		392,504	(6,338,936)
Net debt at 1 June		(23,006,651)	(16,667,715)
Net debt at 31 May		(22,614,147)	(23,006,651)

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 May 2009**

**1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW)
FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Operating (loss)/profit	(3,226,922)	825,562
Depreciation charges	65,124	126,585
Profit on disposal of fixed assets	(2,000)	(2,821)
Decrease in prov'n for warranties	(1,670)	(51,878)
Decrease/(Increase) in stocks	6,865,661	(5,793,025)
(Increase)/Decrease in debtors	(259,477)	125,303
Decrease in creditors	(2,495,722)	(97,508)
Net cash inflow/(outflow) from operating activities	944,994	(4,867,782)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	102,756	136,072
Interest paid	(648,108)	(1,799,651)
Interest element of hire purchase or finance lease rentals payments	-	(1,110)
Net cash outflow for returns on investments and servicing of finance	(545,352)	(1,664,689)
Capital expenditure		
Purchase of tangible fixed assets	(9,138)	(9,549)
Sale of tangible fixed assets	2,000	17,344
Net cash (outflow)/inflow for capital expenditure	(7,138)	7,795
Financing		
New loans in year	1,750,000	-
Net movement in bank borrowings	(5,125,047)	2,762,165
Capital element of hire purchase	-	(27,765)
Share issue	-	192,000
Net cash (outflow)/inflow from financing	(3,375,047)	2,926,400

Strongvox Ltd

Notes to the Cash Flow Statement
for the Year Ended 31 May 2009

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 6 08 £	Cash flow £	At 31 5 09 £
Net cash			
Cash at bank	4,241,931	(2,989,446)	1,252,485
Bank overdraft	(6,903)	6,903	-
	<u>4,235,028</u>	<u>(2,982,543)</u>	<u>1,252,485</u>
Debt			
Debts falling due within one year	(13,407,447)	6,271,455	(7,135,992)
Debts falling due after one year	(13,834,232)	(2,896,408)	(16,730,640)
	<u>(27,241,679)</u>	<u>3,375,047</u>	<u>(23,866,632)</u>
Total	<u>(23,006,651)</u>	<u>392,504</u>	<u>(22,614,147)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 May 2009

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis. The balance sheet shows that the company has substantial net liabilities and is dependent on the willingness and ability of its loan note holders to continue to provide support. The loan note holders have undertaken not to withdraw their loans to the company and to fund the trade for at least one year from the date on which the accounts are signed. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the financial support from the loan note holders.

Accounting convention

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

The directors have changed the format of the balance sheet this year to more accurately reflect the financing of the company's activities.

Turnover

Turnover and profit on open-market residential property is recognised when the contract for sale is completed. This differs to Housing Association contracts for affordable housing where the sale proceeds are received in instalments in line with construction. In these instances, turnover and profit is recognised as the stage payments are received. The sale proceeds of part-exchange houses are not included in turnover.

Sales of land are recognised when the sale is completed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Site Assets	- 25% on cost
Office Equipment	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computers	- 33% on cost

All fixed assets are initially recorded at cost.

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate the carrying values may not be recoverable.

Work in Progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes cost of direct material and labour. Net realisable value is based on estimated selling price less further costs expected to be incurred in the completion and disposal. Options over land are initially carried at cost and are amortised over the period of the option.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reserved at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases and vehicle hire contracts are charged to the profit and loss account on a straight line basis over the lease term.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2009

1 ACCOUNTING POLICIES - continued

Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity settled transactions, no account is taken of any vesting conditions other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with the corresponding entry in equity.

Where the terms of equity-settled awards are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value original award and the fair value of the modified award, both as measured on the date of modification. No reduction is recognised if this difference is negative.

Where the equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the profit and loss account.

Pension costs

Retirement benefits for employees of the company are provided by a defined contribution scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Revenue Recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

2 TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below.

	2009 £	2008 £
Residential	11,704,010	13,547,184
Land sales	3,821,375	4,525,000
	<u>15,525,385</u>	<u>18,072,184</u>

Strongvox Ltd**Notes to the Financial Statements - continued
for the Year Ended 31 May 2009****3 STAFF COSTS**

	2009 £	2008 £
Wages and salaries	1,092,294	1,819,954
Social security costs	124,661	198,438
Other pension costs	72,960	91,357
	<u>1,289,915</u>	<u>2,109,749</u>

The average monthly number of employees during the year was as follows

	2009	2008
Construction	15	22
Administration	14	23
	<u>29</u>	<u>45</u>

4 OPERATING (LOSS)/PROFIT

The operating loss (2008 - operating profit) is stated after charging/(crediting)

	2009 £	2008 £
Depreciation - owned assets	65,124	115,160
Depreciation - assets on hire purchase contracts or finance leases	-	11,425
Profit on disposal of fixed assets	(2,000)	(2,821)
Auditors' remuneration	10,000	14,500
Auditors' remuneration for non audit work	4,301	15,010
Operating lease of land and buildings	86,925	89,558
Contract hire/operating lease of vehicles	38,906	42,578
	<u>340,178</u>	<u>428,215</u>
Directors' remuneration	46,935	41,649
Directors' pension contributions to money purchase schemes	-	10,000
Compensation to director for loss of office	-	-
	<u>46,935</u>	<u>51,649</u>

The number of directors to whom retirement benefits were accruing was as follows

	2009	2008
Money purchase schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows

	2009 £	2008 £
Emoluments etc	154,195	140,880
Pension contributions to money purchase schemes	24,000	12,330
	<u>178,195</u>	<u>153,210</u>

Strongvox Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 May 2009

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank loans and overdraft	648,108	793,902
Other loans	-	1,010,762
Hire purchase	-	1,110
	<u>648,108</u>	<u>1,805,774</u>

6 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss on ordinary activities for the year was as follows

	2009	2008
	£	£
Current tax		
UK corporation tax	-	(10,000)
Previous year adjustment	3,740	-
Total current tax	<u>3,740</u>	<u>(10,000)</u>
Deferred tax	7,818	(6,016)
Tax on loss on ordinary activities	<u>11,558</u>	<u>(16,016)</u>

Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2009	2008
	£	£
Loss on ordinary activities before tax	<u>(3,772,274)</u>	<u>(838,881)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 20 170%)	(792,178)	(169,202)
Effects of		
Expenses not deductible for tax purposes and non-taxable income	2,446	2,546
Depreciation in excess of capital allowances	3,524	9,505
Others	-	(10,349)
Tax losses carried forward	786,208	157,500
Previous year adjustment	3,740	-
Current tax charge/(credit)	<u>3,740</u>	<u>(10,000)</u>

The company has tax losses carried forward of £3,740,000 (2008 £750,000)

Strongvox Ltd**Notes to the Financial Statements - continued
for the Year Ended 31 May 2009****7 TANGIBLE FIXED ASSETS**

	Site Assets £	Office Equipment £	Fixtures and fittings £
COST			
At 1 June 2008	132,933	15,539	84,464
Additions	-	-	9,138
At 31 May 2009	132,933	15,539	93,602
DEPRECIATION			
At 1 June 2008	104,451	9,976	60,386
Charge for year	28,482	3,347	18,592
Eliminated on disposal	-	-	-
At 31 May 2009	132,933	13,323	78,978
NET BOOK VALUE			
At 31 May 2009	-	2,216	14,624
At 31 May 2008	28,482	5,563	24,078
	Motor vehicles £	Computers £	Totals £
COST			
At 1 June 2008	33,792	186,528	453,256
Additions	-	-	9,138
Disposals	(33,792)	-	(33,792)
At 31 May 2009	-	186,528	428,602
DEPRECIATION			
At 1 June 2008	33,792	167,362	375,967
Charge for year	-	14,703	65,124
Eliminated on disposal	(33,792)	-	(33,792)
At 31 May 2009	-	182,065	407,299
NET BOOK VALUE			
At 31 May 2009	-	4,463	21,303
At 31 May 2008	-	19,166	77,289

8 FIXED ASSET INVESTMENTS

At 31 May 2009, Strongvox Limited had a 100% investment in its dormant subsidiary Strongvox (Leasing) Ltd
The total value of the investment at the year end was £1 (2008 £1)

9 WORK IN PROGRESS

	2009 £	2008 £
Land and work in progress	20,592,459	27,458,120

Strongvox Ltd**Notes to the Financial Statements - continued
for the Year Ended 31 May 2009****10 DEBTORS**

	2009 £	2008 £
Amounts falling due within one year		
Trade debtors	39,438	381,225
Other debtors	408,332	58,545
VAT	-	220,838
Tax	6,260	6,260
Deferred tax	-	7,818
Prepayments and accrued income	25,348	101,033
	<u>479,378</u>	<u>775,719</u>
Amounts falling due after more than one year		
Other debtors	<u>548,000</u>	<u>-</u>
Aggregate amounts	<u>1,027,378</u>	<u>775,719</u>

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2009	2008
Number	Class	Nominal value	£	£
960,000	Ordinary	£1	<u>960,000</u>	<u>960,000</u>

12 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 June 2008	(766,151)	32,000	(734,151)
Deficit for the year	<u>(3,783,832)</u>		<u>(3,783,832)</u>
At 31 May 2009	<u>(4,549,983)</u>	<u>32,000</u>	<u>(4,517,983)</u>

13 PROVISIONS FOR LIABILITIES

	2009 £	2008 £
Other provisions	<u>95,952</u>	<u>97,622</u>
		Warranty provision £
Balance at 1 June 2008		97,622
Arising during the year		35,898
Utilised		<u>(37,568)</u>
Balance at 31 May 2009		<u>95,952</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2009****13 PROVISIONS FOR LIABILITIES - continued**

A provision is recognised for expected warranty claims on properties sold during the last two years. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within two years of the balance sheet date.

14 CREDITORS

	2009 £	2008 £
Amounts falling due within one year		
Bank loans and overdrafts (see note 15)	7,135,992	13,414,350
Trade creditors	1,808,786	3,197,992
Social security and other taxes	325,870	76,342
Accrued expenses	354,369	1,706,673
	<u>9,625,017</u>	<u>18,395,357</u>
Amounts falling due after more than one year		
Bank loans and other loans (see note 15)	3,130,640	234,232
Floating rate secured loan notes 2014 (see note 15)	13,600,000	13,600,000
	<u>16,730,640</u>	<u>13,834,232</u>
Aggregate amounts	<u>26,355,657</u>	<u>32,229,589</u>

15 LOANS

An analysis of the maturity of loans is given below

	2009 £	2008 £
Amounts falling due within one year or on demand		
Bank loans	<u>7,135,992</u>	<u>13,407,447</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	142,140	234,232
Other loans	1,750,000	-
	<u>1,892,140</u>	<u>234,232</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>1,238,500</u>	<u>-</u>
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Floating rate secured loan notes 2014	<u>13,600,000</u>	<u>13,600,000</u>
	<u>13,600,000</u>	<u>13,600,000</u>

Strongvox Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 May 2009

15 LOANS - continued

The bank loans are made for specific development projects and are secured by a charge over the land and work in progress of those projects. Repayment of the loans is made under the terms of the loan agreements which specify how much becomes repayable as each unit on the development site is sold.

Other loans relate to one specific development project and are secured by a charge over the land and work in progress of the project. Repayment of the loans is on demand but the lender has indicated that it does not intend to seek repayment within the next twelve months.

The loan notes are repayable on 31 May 2014 and are secured by a fixed and floating charge over the assets of the company. Interest is payable as detailed in the interest payment memorandum relating to the loan notes. £1,600,000 of the loan notes carry interest at 3% per annum and the balance of £12,000,000 carry interest at 8% per annum, interest being payable quarterly. The loan note holders waived their rights to interest for the year ended 31 May 2009.

16 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2009 £	2008 £	2009 £	2008 £
Expiring				
Within one year	-	-	4,419	-
Between one and five years	-	-	10,694	17,149
In more than five years	63,000	90,365	-	-
	<u>63,000</u>	<u>90,365</u>	<u>15,113</u>	<u>17,149</u>

17 CONTINGENT LIABILITIES

The company enters into performance bonds in the normal course of business. The directors expect no liability to arise in respect of these transactions.

18 RELATED PARTY DISCLOSURES

During the year the company was charged £20,000 (2008 £80,000) by Emelsee Consultancy, which is owned by DGM Cull, a director, for consultancy services. There was no balance outstanding at the year end (2008 £20,000).

DGM Cull is also a director of Prowting Investments PLC.

During the year the company was charged £63,000 (2008 £85,000) by Prowting Investments PLC as rental for York House, Blackbrook Business Park, Taunton. There was no balance outstanding at the year end (2008 £nil).

There is a construction agreement between Strongvox Ltd and Prowting Investments PLC in relation to two construction projects. At the year end £899,001 was owed to Strongvox Limited by Prowting Investments PLC in respect of these projects.

During the year Strongvox Ltd sold land to Prowting Investments PLC at market value of £3,821,375.

During the year Prowting Investments PLC loaned Strongvox Limited £1,750,000 which remains outstanding at 31 May 2009.

Strongvox Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 May 2009

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Loss for the financial year	(3,783,832)	(822,865)
Share capital issued	-	192,000
	<hr/>	<hr/>
Net reduction of shareholders' funds	(3,783,832)	(630,865)
Opening shareholders' funds	225,849	856,714
	<hr/>	<hr/>
Closing shareholders' funds	<u>(3,557,983)</u>	<u>225,849</u>