

Company Registration No. 4872171 (England and Wales)

HEATPOINT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013



HEATPOINT LIMITED

COMPANY INFORMATION

Directors	S S Conway D E Conway
Secretary	A W Porter
Company number	4872171
Registered office	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS
Auditors	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
Business address	PO Box 206 Loughton Essex IG10 1PL
Bankers	Bank of Scotland Gordon Street Glasgow Scotland G1 3RS
Solicitors	Howard Kennedy 19 Cavendish Square London W1A 2AW

HEATPOINT LIMITED

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HEATPOINT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities

The principal activity of the company is that of an investment company

Directors

The following directors have held office since 1 April 2012

S S Conway

D E Conway

Statement of directors' responsibilities

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 judgements and accounting 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 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.

HEATPOINT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

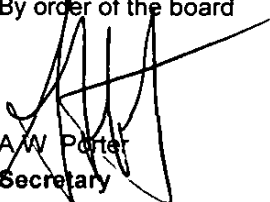
Statement of disclosure to auditors

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



A.W. Porter
Secretary

26 September 2013

HEATPOINT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEATPOINT LIMITED

We have audited the financial statements of Heatpoint Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company's bankers have undertaken to renew the current loan facility of £10,500,000 to 15 April 2015 provided draft conditions are met including reducing the loan to value ratio to 65% through an equity cure. The directors expect to be able to conclude the negotiations currently underway such that the proposed two year extension to the facility is obtained, however there is no guarantee they will be successful. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

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.

HEATPOINT LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HEATPOINT 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

BDO LLP

Thomas Edward Goodworth (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date

26/09/13

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127)

HEATPOINT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Administrative expenses		(796,264)	(635)
Other operating income		-	17,954
Operating (loss)/profit	2	(796,264)	17,319
Release of previous years' provisions		-	1,129,917
Current year provision		(1,629,427)	-
(Loss)/profit on ordinary activities before interest		(2,425,691)	1,147,236
Other interest receivable and similar income	3	1,386,577	1,295,958
Interest payable and similar charges	4	(539,847)	(550,078)
(Loss)/profit on ordinary activities before taxation		(1,578,961)	1,893,116
Tax on (loss)/profit on ordinary activities	5	159,522	(159,522)
(Loss)/profit for the year	12	(1,419,439)	1,733,594

All amounts relate to continuing activities

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

There are no movements in shareholder's funds in the current or prior year apart from the profit and loss

The notes on pages 7 to 11 form part of these financial statements

HEATPOINT LIMITED

BALANCE SHEET AS AT 31 MARCH 2013

Company Registration No 4872171

	Notes	2013 £	£	2012 £	£
Fixed assets					
Investments	6		-	1,629,427	
Current assets					
Debtors	8	20,390,284		19,799,381	
Cash at bank and in hand		8,554		117,498	
		<u>20,398,838</u>		<u>19,916,879</u>	
Creditors: amounts falling due within one year	9	<u>(22,698,329)</u>		<u>(11,514,358)</u>	
Net current (liabilities)/assets			<u>(2,299,491)</u>		<u>8,402,521</u>
Total assets less current liabilities			<u>(2,299,491)</u>		<u>10,031,948</u>
Creditors: amounts falling due after more than one year	10		-	(10,912,000)	
			<u>(2,299,491)</u>	<u>(880,052)</u>	
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		<u>(2,299,493)</u>		<u>(880,054)</u>
Shareholders' funds			<u>(2,299,491)</u>		<u>(880,052)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board and authorised for issue on 26 September 2013

S S Conway
Director

The notes on pages 7 to 11 form part of these financial statements

HEATPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going Concern

The company's current loan facility of £10,500,000 expired on 14 April 2013. The bank has undertaken to renew the facility for two years until 15 April 2015 if certain conditions are met. The draft conditions include the need for a capital repayment to bring the loan to value ratio back to 65% based on a new valuation. If such a repayment is required the directors expect Galliard Holding Limited to provide the funds. The ability of the company to continue as a going concern depends on the successful renegotiation of the loan facility. These conditions indicate that there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

1.2 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)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.5 Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

2 Operating (loss)/profit	2013	2012
	£	£
Operating (loss)/profit is stated after charging		
Auditors' remuneration	1,000	500
	<u> </u>	<u> </u>
 3 Investment income	 2013	 2012
	£	£
Bank interest	620	671
Other interest	1,385,957	1,295,287
	<u> </u>	<u> </u>
	<u>1,386,577</u>	<u>1,295,958</u>

HEATPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

4	Interest payable	2013	2012
		£	£
	On bank loans and overdrafts	470,847	481,078
	Other interest	69,000	69,000
		<u>539,847</u>	<u>550,078</u>
5	Taxation	2013	2012
		£	£
	U K corporation tax	-	159,522
	Adjustment for prior years	(159,522)	-
	Total current tax	<u>(159,522)</u>	<u>159,522</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(1,578,961)</u>	<u>1,893,116</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	(378,951)	492,210
	Income not subject to corporation tax	-	(293,778)
	Group losses relieved	378,951	(38,910)
	Adjustments to previous periods	<u>(159,522)</u>	<u>-</u>
	Current tax charge for the year	<u>(159,522)</u>	<u>159,522</u>

HEATPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

6 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2012 and at 31 March 2013	3,426,777
Provisions for diminution in value	
At 1 April 2012	(1,797,350)
Charge for the year	(1,629,427)
At 31 March 2013	(3,426,777)
Net book value	
At 31 March 2013	-
At 31 March 2012	1,629,427

7 Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Calverley Court Limited	Jersey	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2013 £	Loss for the year 2013 £
	Principal activity		
Calverley Court Limited	Property Development	(795,054)	(1,040,637)

HEATPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

8 Debtors	2013 £	2012 £
Amounts due from group undertakings	20,390,284	19,799,381

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

9 Creditors' amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts (secured)	11,050,000	1,069,000
Amounts owed to group undertakings	11,618,659	10,254,405
Corporation tax	-	159,522
Accruals and deferred income	29,670	31,431
	22,698,329	11,514,358

The bank loans are shown net of issue costs of £nil (2012 - £69,000). These amounts are amortised over the term of the loan in accordance with FRS 4 'Capital Instruments'.

10 Creditors' amounts falling due after more than one year	2013 £	2012 £
Bank loans (secured)	-	10,912,000
Analysis of loans		
Wholly repayable within five years	11,050,000	11,981,000
Included in current liabilities	(11,050,000)	(1,069,000)
	-	10,912,000

11 Share capital	2013 £	2012 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

HEATPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2012	(880,054)
Loss for the year	(1,419,439)
Balance at 31 March 2013	<u>(2,299,493)</u>

13 Control

There is no controlling party

14 Related party transactions

As at 31 March 2013 £5,888,540 (2012 - £4,524,286) was due to Galliard Homes Limited who are a 50% shareholder in the company, as at 31 March 2013 £5,730,120 (2012 - £5,730,120) was due to Galliard Holdings Limited. S Conway who is a director of the company is also a director of Galliard Homes Limited and Galliard Holdings Ltd

As at 31 March 2013, £21,185,338 (2012 - £19,799,381) was due from the company's subsidiary undertaking, Calverley Court Limited. Interest amounting to £1,385,957 (2012 - £1,295,287) has been charged to the subsidiary on this loan