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PORCHESTER HOMES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

Company Registration Number 04982661

PORCHESTER HOMES LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2010

CONTENTS	PAGES
Independent auditor's report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 to 5

PORCHESTER HOMES LIMITED
INDEPENDENT AUDITOR'S REPORT TO PORCHESTER HOMES
LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Porchester Homes Limited for the year ended 30 June 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Jennifer Hill, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
Vantage House
Victoria Street
Basingstoke
Hampshire

Date - 25/10/2010

PORCHESTER HOMES LIMITED

Registered Number 04982661

ABBREVIATED BALANCE SHEET**30 JUNE 2010**

	Note	2010 £	£	2009 £	£
Fixed assets	2				
Tangible assets			-		11,037
Current assets					
Stocks		1,189,558		5,740,642	
Debtors		117,972		1,085,192	
Cash at bank and in hand		230,855		826,081	
		<u>1,538,385</u>		<u>7,651,915</u>	
Creditors: Amounts falling due within one year		<u>(2,263,909)</u>		<u>(8,600,905)</u>	
Net current liabilities			<u>(725,524)</u>		<u>(948,990)</u>
Total assets less current liabilities			<u>(725,524)</u>		<u>(937,953)</u>
Capital and reserves					
Called-up share capital	3		100		100
Profit and loss account			(725,624)		(938,053)
Shareholder's funds			<u>(725,524)</u>		<u>(937,953)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 25/10/2010 and are signed on their behalf by

C M Brooks
Director



The notes on pages 3 to 5 form part of these abbreviated accounts

PORCHESTER HOMES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2010

1. Accounting policies

Basis of accounting

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

The company meets its day to day funding requirements through a mixture of bank debt and loans from its parent company, Cadugan Developments Limited. At the year end Cadugan Developments Limited has advanced £2,085,998 under an agreed working capital facility to fund development sites. The directors of Cadugan Developments Limited have confirmed that they will continue to make adequate facilities available to its subsidiary, Porchester Homes Limited, for a period of at least 12 months from the date of signing of these accounts to ensure all third party liabilities are paid as they fall due.

On the basis of this undertaking the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover, which excludes value added tax and sales between group companies, represents the invoiced value of goods and services provided, properties and developments sold and any profit margins achieved on properties taken in part exchange. It also includes the value of amounts invoiced under cost plus arrangements.

Turnover and profit are recognised when construction has been completed and there has been an exchange of contracts for sale providing for fixed legal completion within one month of exchange or on legal completion where this is not the case.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	33.3% straight line
Computer Equipment	-	33.3% straight line

Work in progress

Work in progress is valued at the lower of cost, excluding interest, and net realisable value. Costs include acquisition of land for development, development costs thereon and professional and planning fees. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PORCHESTER HOMES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2010

1. Accounting policies (continued)

Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax assets are recognised only to the extent that the directors consider it 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 is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Interest

All interest, including interest arising on loans against land held for development and properties in the course of development, is expensed as incurred

2. Fixed assets

	Tangible Assets £
Cost	
At 1 July 2009 and 30 June 2010	<u>35,058</u>
Depreciation	
At 1 July 2009	24,021
Charge for year	11,037
At 30 June 2010	<u>35,058</u>
Net book value	
At 30 June 2010	<u>-</u>
At 30 June 2009	<u>11,037</u>

PORCHESTER HOMES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2010

3. Share capital

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

4. Ultimate parent company

The immediate parent company is Cadugan Developments Limited, a company registered in England and Wales, by virtue of it owning 75% of the issued share capital of this company