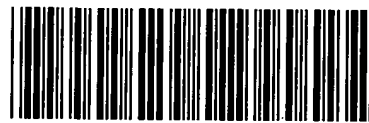


Company Registration No. 05122315 (England and Wales)

GREGORY PROJECTS (HALIFAX) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2015

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GREGORY PROJECTS (HALIFAX) LIMITED

COMPANY INFORMATION

Directors	G Barry Gregory T R Gurney
Secretary	M Robertson
Company number	05122315
Registered office	2 The Embankment Sovereign Street Leeds West Yorkshire LS1 4GP
Auditors	Firth Parish 1 Airport West Lancaster Way Yeadon Leeds West Yorkshire LS19 7ZA

GREGORY PROJECTS (HALIFAX) LIMITED

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GREGORY PROJECTS (HALIFAX) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2015

The directors present their report and financial statements for the year ended 31 January 2015.

Principal activities

The principal activity of the company is property development and property investment.

Directors

The following directors have held office since 1 February 2014:

G Barry Gregory

T R Gurney

Auditors

The auditors, Firth Parish, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

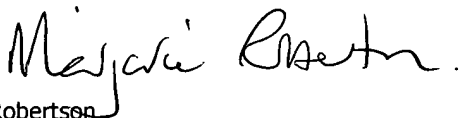
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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



M Robertson

Secretary

22 September 2015

GREGORY PROJECTS (HALIFAX) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREGORY PROJECTS (HALIFAX) LIMITED

We have audited the financial statements of Gregory Projects (Halifax) Limited for the year ended 31 January 2015 set out on pages 4 to 10. 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 Directors' Responsibilities Statement set out on page 1, 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 January 2015 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. As at 31 January 2015 the company's liabilities exceeded its total assets by £1,427,417. The renewal of bank loan facilities expiring in January 2016 is yet to be finalised and the company is reliant on the support of its Joint Venture Partners in connection with funding of £12,641,819. These conditions as explained in note 1 to the financial statements indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the 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.

GREGORY PROJECTS (HALIFAX) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GREGORY PROJECTS (HALIFAX) 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

Geoffrey Beaumont (Senior Statutory Auditor)
for and on behalf of Firth Parish

22 September 2015

Chartered Accountants
Statutory Auditor

1 Airport West
Lancaster Way
Yeadon
Leeds
West Yorkshire
LS19 7ZA

GREGORY PROJECTS (HALIFAX) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 JANUARY 2015**

		2015	2014
	Notes	£	£
Turnover		1,630,223	1,313,120
Administrative expenses		(55,487)	(209,093)
Operating profit	2	1,574,736	1,104,027
Refinancing costs		(148,755)	(148,755)
Profit on ordinary activities before interest		1,425,981	955,272
Other interest receivable and similar income	3	75	570
Interest payable and similar charges		(1,307,519)	(1,218,737)
Profit/(loss) on ordinary activities before taxation		118,537	(262,895)
Tax on profit/(loss) on ordinary activities	4	(23,707)	60,890
Profit/(loss) for the year	11	94,830	(202,005)

GREGORY PROJECTS (HALIFAX) LIMITED**BALANCE SHEET****AS AT 31 JANUARY 2015**

	Notes	2015 £	£	2014 £
Current assets				
Developments in progress	5	31,342,845		31,277,845
Debtors: amounts falling due within one year	6	382,065		484,916
Debtors: amounts falling due after more than one year	6	-		148,755
Cash at bank and in hand		332,493		155,403
		<u>32,057,403</u>		<u>32,066,919</u>
Creditors: amounts falling due within one year	7	<u>(20,843,001)</u>		<u>(4,157,888)</u>
Total assets less current liabilities			11,214,402	27,909,031
Creditors: amounts falling due after more than one year	8		(12,641,819)	(29,431,278)
			<u>(1,427,417)</u>	<u>(1,522,247)</u>
Capital and reserves				
Called up share capital	10		100	100
Profit and loss account	11		<u>(1,427,517)</u>	<u>(1,522,347)</u>
Shareholders' funds			<u>(1,427,417)</u>	<u>(1,522,247)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 22 September 2015


G Barry Gregory
Director

Company Registration No. 05122315

GREGORY PROJECTS (HALIFAX) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 from disclosing related party transactions with group undertakings 90% or more of whose voting rights are controlled within the group, on the grounds that publicly available consolidated accounts are prepared.

The directors acknowledge the latest guidance on going concern issued by the Financial Reporting Council.

The directors consider that the outlook for the property sector presents significant challenges but are optimistic of higher demand resulting from the recent reported improvement in economic activity.

The directors concluded that to achieve the most favourable outcome from the sale of the Broad Street Plaza development it was necessary to secure the maximum possible occupancy level before offering the development to the market. In order to facilitate this, the company arranged in 2013 the refinancing of phase one of the development with Barclays Bank Plc to January 2016 and at the same date the company, as set out in note 8, entered into a Joint Venture Agreement the object of which is the interim management, financing and sale of phase 1 of the Broad Street Plaza development. The company has received a letter of support from its Joint Venture Partners confirming that they will continue to support the company by not seeking repayment of funding of £12,641,819 for a minimum period of twelve months from the date of approval and signing of these financial statements if to do so would jeopardise the ability of the company to continue as a going concern.

Following discussions with its bankers the company has received indicative terms from Barclays Bank Plc for the provision of a Term Loan Facility to replace the loan expiring January 2016. Formalisation of the loan facility will take some time to complete.

With over 90% occupancy the directors projections show that the company can trade profitably and discharge its liabilities in the normal course of business. However should the offer of the further loan facility be withdrawn or, it was not possible to arrange alternative sources of funding, or the support of its Joint Venture Partners be withdrawn, the directors have concluded that there would be a material uncertainty that would cast significant doubt upon the company's ability to continue as a going concern and that, therefore, the company be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.2 Turnover and profits

Turnover represents rents receivable and property sales.

GREGORY PROJECTS (HALIFAX) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JANUARY 2015****1 Accounting policies****(Continued)****1.3 Developments in progress**

Developments in progress are stated at the lower of cost or net realisable value plus an estimated amount of profit recognised when the overall profitability of the development can be reasonably foreseen.

Finance costs that are directly attributable to the construction of a development are capitalised as part of the cost of that development.

Long-term contract work-in-progress is shown at cost after deducting foreseeable losses and payments on account.

Profit taken on long-term contracts is determined on the basis of the proportion of expected contract profit calculated at the contract stage reached at the balance sheet date.

Gross profit includes attributable profit recoverable on contracts incomplete at the balance sheet date. Amounts recoverable are also included within debtors.

1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking. The results of the company are included in the consolidated financial statements of Gregory Property Group Limited.

2 Operating profit**2015**
£**2014**
£

Operating profit is stated after crediting:

Rents receivable

1,630,223

1,313,120

3 Investment income**2015**
£**2014**
£

Bank interest

75

570

75

570

4 Taxation**2015**
£**2014**
£**Domestic current year tax**

Payment in respect of group relief

23,707

-

Receipt in respect of group relief

-

(60,890)

Total current tax

23,707

(60,890)

The company has estimated losses of £ 1,140,586 (2014 - £ 1,140,586) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

GREGORY PROJECTS (HALIFAX) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JANUARY 2015**

5	Developments in progress	2015	2014
		£	£
	Developments in progress	31,342,845	31,277,845

Developments in progress include capitalised interest of £1,154,776 (2014: £1,154,776).

Developments in progress include £31,185,652 (2014: £31,120,652) currently held for use in operating leases.

6	Debtors	2015	2014
		£	£
	Trade debtors	15,534	27,866
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	60,815
	Other debtors	243,351	421,810
	Deferred tax asset (see note 9)	123,180	123,180
		382,065	633,671

A deferred tax asset of £104,937 (2014 - £116,343) in respect of unrelieved tax losses at the balance sheet date has not been recognised. This asset can only be recovered against future suitable taxable profits.

7	Creditors: amounts falling due within one year	2015	2014
		£	£
	Bank loans and overdrafts	17,327,000	630,000
	Trade creditors	100,570	148,310
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	632,610	669,718
	Taxation and social security	3,253	1,261
	Other creditors	2,779,568	2,708,599
		20,843,001	4,157,888

A Yorkshire Forward (now the Department for Business, Innovation and Skills) grant of £2,264,323 (2014: £2,264,323) included in deferred income is secured by a second ranking legal charge over the property and goodwill relating to the property dated 3 November 2010.

The Barclays Bank Plc loan of £17,327,000 (2014: £630,000) is secured by a fixed and floating charge over the undertaking and all property and assets present and future.

GREGORY PROJECTS (HALIFAX) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JANUARY 2015**

8	Creditors: amounts falling due after more than one year	2015	2014
		£	£
	Bank loans	-	17,327,000
	Other creditors	12,641,819	12,104,278
		<u>12,641,819</u>	<u>29,431,278</u>
		<u><u>12,641,819</u></u>	<u><u>29,431,278</u></u>
	Analysis of loans		
	Wholly repayable within five years	30,068,819	30,161,278
	Included in current liabilities	(17,427,000)	(730,000)
		<u>12,641,819</u>	<u>29,431,278</u>
		<u><u>12,641,819</u></u>	<u><u>29,431,278</u></u>

The Barclays Bank Plc loan of £nil (2014: £17,327,000) is secured by a fixed and floating charge over the undertaking and all property and assets present and future.

The company has entered into a Joint Venture Agreement with Marshall Construction (West Yorkshire) Limited, Gregory Property Holdings Limited and Commercial Development Projects Limited. The object of the joint venture being the interim management, financing and sale of the Broad Street Plaza development.

Under the terms of the Joint Venture Agreement the Joint Venture Partners entered into a debenture incorporating (inter alia) a legal charge over the Broad Street Plaza development, in favour of Marshall Construction (West Yorkshire) Limited and Commercial Development Projects Limited securing the other loan of £12,641,819 (2014: £12,104,278).

9 Provisions for liabilities

The deferred tax asset (included in debtors, note 6) is made up as follows:

	2015	
	£	
Balance at 1 February 2014 & at 31 January 2015	(123,180)	
	<u><u>(123,180)</u></u>	
	2015	2014
	£	£
Tax losses available	(123,180)	(123,180)
	<u><u>(123,180)</u></u>	<u><u>(123,180)</u></u>

GREGORY PROJECTS (HALIFAX) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JANUARY 2015**

10 Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
50 Ordinary 'A' shares of £1 each	50	50
50 Ordinary 'B' shares of £1 each	50	50
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2014	(1,522,347)
Profit for the year	94,830
	<hr/>
Balance at 31 January 2015	(1,427,517)
	<hr/>

12 Control

The company's immediate parent undertaking at the balance sheet date was Gregory Property Holdings Limited, a company incorporated in England. The company's ultimate parent undertaking at the balance sheet date was Gregory Property Group Limited.

The ultimate controlling party is G Barry Gregory, director, together with family members, by virtue of their shareholding.

Gregory Property Group Limited prepare group financial statements and copies may be obtained from the Registrar of Companies, Companies House, Cardiff.

13 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.