

DENBIGH GLEESON (CAP GREEN) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2008

Company Registration Number 5196144

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COMPANIES HOUSE

BREBNERS
Chartered Accountants & Registered Auditors
The Quadrangle
180 Wardour Street
London
W1F 8LB

DENBIGH GLEESON (CAP GREEN) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2008

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DENBIGH GLEESON (CAP GREEN) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	R J Forman N C Holt
Company secretary	J E Baldry
Registered office	Integration House Rye Close Ancells Business Park Fleet Hampshire GU51 2QG
Auditor	Brebners Chartered Accountants & Registered Auditors The Quadrangle 180 Wardour Street London W1F 8LB

DENBIGH GLEESON (CAP GREEN) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2008

The directors present their report and the financial statements of the company for the year ended 30th June 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was development and sale of real estate.

DIRECTORS

The directors who served the company during the year were as follows:

R J Forman

G D Proud

(Resigned 30th June 2008)

S J Davies served as a director from 1st July 2008 to 31st December 2008.

N C Holt was appointed as a director on 1st January 2009.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 proper accounting records that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DENBIGH GLEESON (CAP GREEN) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH JUNE 2008

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



N C Holt
Director

Approved by the directors on 21st April 2009

DENBIGH GLEESON (CAP GREEN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
DENBIGH GLEESON (CAP GREEN) LIMITED
YEAR ENDED 30TH JUNE 2008

We have audited the financial statements of Denbigh Gleeson (Cap Green) Limited for the year ended 30th June 2008 on pages 6 to 11, which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

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.

DENBIGH GLEESON (CAP GREEN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
DENBIGH GLEESON (CAP GREEN) LIMITED *(continued)*

YEAR ENDED 30TH JUNE 2008

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 30th June 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.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, 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 remains dependent upon the continued support of one of it's parent undertakings who have undertaken to continue to provide this support for the foreseeable future and not to call for repayment of the amount due until the sale of the company's development property. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



BREBNERS
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DENBIGH GLEESON (CAP GREEN) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2008**

	Note	2008 £	2007 £
TURNOVER		—	—
Cost of sales		1,612,745	—
GROSS LOSS		<u>(1,612,745)</u>	<u>—</u>
Administrative expenses		3,750	3,750
Other operating income	2	(303,349)	—
OPERATING LOSS	3	<u>(1,313,146)</u>	<u>(3,750)</u>
Interest payable and similar charges	5	473,940	—
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,787,086)</u>	<u>(3,750)</u>
Tax on loss on ordinary activities	6	—	—
LOSS FOR THE FINANCIAL YEAR		<u>(1,787,086)</u>	<u>(3,750)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

DENBIGH GLEESON (CAP GREEN) LIMITED**BALANCE SHEET****30TH JUNE 2008**

	Note	2008 £	£	2007 £
CURRENT ASSETS				
Stocks	7	5,380,878		6,730,883
Debtors	8	<u>192,316</u>		<u>2,472</u>
		5,573,194		6,733,355
CREDITORS: Amounts falling due within one year	9	<u>1,117,880</u>		<u>633,300</u>
NET CURRENT ASSETS			4,455,314	6,100,055
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,455,314</u>	<u>6,100,055</u>
CREDITORS: Amounts falling due after more than one year	10		6,252,648	6,110,303
			<u>(1,797,334)</u>	<u>(10,248)</u>
CAPITAL AND RESERVES				
Called-up equity share capital	12		2	2
Profit and loss account	13		<u>(1,797,336)</u>	<u>(10,250)</u>
DEFICIT	14		<u>(1,797,334)</u>	<u>(10,248)</u>

These financial statements were approved by the directors and authorised for issue on 21st April 2009, and are signed on their behalf by:



N C Holt
Director

DENBIGH GLEESON (CAP GREEN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2008**

1. ACCOUNTING POLICIES**Basis of accounting**

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

Going Concern

The company made a loss of £1,787,086 (2007: £3,750) for the year ended 30th June 2008, and its total liabilities at that date exceeded its total assets by £1,797,334 (2007: £10,248).

The company remains dependent on the continuing support of Gleeson Properties Limited a 50% shareholder in the company, to whom £7,184,029 was due at 30th June 2008. Gleeson Properties Limited have undertaken to continue to provide this support for the foreseeable future and not to call for repayment of amounts due during the continued completion and marketing of the development property.

For this reason the directors believe the going concern concept remains appropriate and the accounts have therefore been prepared on this basis. If the going concern concept was found not to be appropriate the directors do not believe that any further write down of assets would be required or any material additional liabilities would arise.

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.

Stocks

Stocks are valued at the lower of cost and net realisable value. The cost of work in progress and finished goods includes all production overheads, depreciation and the attributable proportion of indirect overheads based on estimated selling price less the estimated cost of disposal. It is the company's policy to capitalise interest arising on loans directly relating to the development of the development property.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

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

DENBIGH GLEESON (CAP GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2008

1. ACCOUNTING POLICIES *(continued)*

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.

2. OTHER OPERATING INCOME

	2008 £	2007 £
Rent receivable	<u>303,349</u>	<u>-</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	2008 £	2007 £
Directors' emoluments	-	-
Auditor's remuneration - as auditor	<u>3,750</u>	<u>3,750</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Interest on other loans	<u>473,940</u>	<u>-</u>

6. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.25% (2007 - 20%).

	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(1,787,086)</u>	<u>(3,750)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(361,885)	(750)
Unutilised losses carried forward	300,457	750
Utilisation of tax losses	<u>61,428</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

DENBIGH GLEESON (CAP GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2008

7. STOCKS

	2008 £	2007 £
Development property	<u>5,380,878</u>	<u>6,730,883</u>

During the year a total of £nil (2007: £457,441) loan interest incurred has been included within the cost of development property. As at 30th June 2008 an aggregate of £457,441 loan interest had been capitalised within the cost of development property.

The current economic downturn has impacted upon the company's asset values adversely and as a result the directors have taken the decision to restate the carrying value of the company's development property to the lower of cost and net realisable value in accordance with its stated accounting policies.

8. DEBTORS

	2008 £	2007 £
VAT recoverable	–	2,470
Other debtors	2	2
Prepayments and accrued income	<u>192,314</u>	<u>–</u>
	<u>192,316</u>	<u>2,472</u>

9. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	60,648	58,623
Other creditors including taxation:		
VAT	17,508	–
Other creditors	<u>4,026</u>	<u>–</u>
	21,534	–
Accruals and deferred income	<u>1,035,698</u>	<u>574,677</u>
	<u>1,117,880</u>	<u>633,300</u>

10. CREDITORS: Amounts falling due after more than one year

	2008 £	2007 £
Other creditors:		
Amounts owed to related undertakings	<u>6,252,648</u>	<u>6,110,303</u>

DENBIGH GLEESON (CAP GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2008

11. RELATED PARTY TRANSACTIONS

Included with amounts owed to related undertakings is an amount due to Gleeson Properties Limited of £7,184,029 (2007: £6,567,744). Gleeson Properties Limited is a shareholder of the company. The loan is secured by a debenture charge on the present and future property and assets of the company by way of a first fixed charge. Interest on the loan is to be charged at 2% above the base lending rate of the Bank of Scotland.

Control

The company is owned by Denbigh Land Limited and Gleeson Properties Limited who each own and control 50% of the issued share capital. As such there is no controlling entity.

12. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

13. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Balance brought forward	(10,250)	(6,500)
Loss for the financial year	<u>(1,787,086)</u>	<u>(3,750)</u>
Balance carried forward	<u>(1,797,336)</u>	<u>(10,250)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Loss for the financial year	(1,787,086)	(3,750)
Opening shareholders' deficit	<u>(10,248)</u>	<u>(6,498)</u>
Closing shareholders' deficit	<u>(1,797,334)</u>	<u>(10,248)</u>