

**DENBIGH GLEESON (CAP GREEN) LIMITED**  
**Directors' report and**  
**financial statements**  
**Registered number 05196144**  
**30 June 2010**



## **Directors' report and financial statements**

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## **Company information**

|                               |   |
|-------------------------------|---|
| <b>The board of directors</b> | A C Martin  |
| <b>Company secretary</b>      | J Baldry  |
| <b>Registered office</b>      | Integration House<br>Rye Close<br>Ancells Business Park<br>Fleet<br>Hampshire<br>GU51 2QG                                 |
| <b>Auditors</b>               | KPMG Audit Plc<br>Chartered Accountants<br>& Registered Auditor<br>1 The Embankment<br>Neville Street<br>Leeds<br>LS1 4DW |

## Directors' report

The directors present their annual report and the audited financial statements of the Company for the year ended 30 June 2010

### Principal activities and Business Review

The principle activity of the company during the year was development and sale of real estate. During the year the company sold all of its real estate and has now ceased to trade.

During the year, Gleeson Properties Ltd, as holder of a joint venture 50% interest in the company, waived the loan balance of £3,300,616 due from the Company to leave a £Nil balance. Denbigh Gleeson (Cap Green) Ltd has reflected this waiver as a capital contribution in the Statement of changes in equity.

Gleeson Properties Ltd subsequently acquired the remainder of the share capital of the Company.

### Directors

The directors who served during the year are listed below:

R J Forman (resigned 1 February 2010)  
A C Martin  
N C Holt (resigned 30 September 2010)

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

Signed on behalf of the directors



A C Martin  
Director

Approved by the directors on 31 January 2011

## **Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements**

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 judgments and estimates that are reasonable and prudent,
- ☐ state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- ☐ 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of Denbigh Gleeson (Cap Green) Ltd**

We have audited the financial statements of Denbigh Gleeson (Cap Green) Ltd for the year ended 30 June 2010 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 4, 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, 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 Directors' Report 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 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.



**Chris Heald** (Senior Statutory Auditor)  
for and on behalf of **KPMG Audit Plc**, Statutory Auditor  
*Chartered Accountants and Registered Auditors*  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
**31 January 2011**

## Statement of comprehensive income

For the year ended 30 June 2010

|                                      | Notes | 2010<br>£             | 2009<br>£                 |
|--------------------------------------|-------|-----------------------|---------------------------|
| Revenue                              |       | 4,360,000             | -                         |
| Cost of sales                        |       | (4,071,313)           | (1,807,878)               |
| <b>Gross profit/(loss)</b>           |       | <u>288,687</u>        | <u>(1,807,878)</u>        |
| Administrative expenses              |       | (13,864)              | (4,500)                   |
| Rent receivable                      |       | (25,103)              | 342,403                   |
| <b>Profit/(loss) from operations</b> |       | <u>249,720</u>        | <u>(1,469,975)</u>        |
| Financial income                     |       | -                     | -                         |
| Interest payable and similar charges | 3     | -                     | (283,027)                 |
| <b>Profit/(loss) before taxation</b> |       | <u>249,720</u>        | <u>(1,753,002)</u>        |
| Taxation                             | 4     | -                     | -                         |
| <b>Profit/(loss) for the year</b>    |       | <u><u>249,720</u></u> | <u><u>(1,753,002)</u></u> |

## Statement of financial position

As at 30 June 2010

|                             | Notes | 2010<br>£ | 2009<br>£          |
|-----------------------------|-------|-----------|--------------------|
| <b>Current assets</b>       |       |           |                    |
| Inventories                 | 6     | -         | 3,745,094          |
| Trade and other receivables | 5     | -         | 240,719            |
|                             |       | <u>-</u>  | <u>3,985,813</u>   |
| <b>Total assets</b>         |       | <u>-</u>  | <u>3,985,813</u>   |
| <b>Current liabilities</b>  |       |           |                    |
| Trade and other payables    | 7     | -         | (7,536,149)        |
|                             |       | <u>-</u>  | <u>(7,536,149)</u> |
| <b>Total liabilities</b>    |       | <u>-</u>  | <u>(7,536,149)</u> |
| <b>Net assets</b>           |       | <u>-</u>  | <u>(3,550,336)</u> |
| <b>Equity</b>               |       |           |                    |
| Ordinary shares             | 9     | 2         | 2                  |
| Retained earnings           |       | (2)       | (3,550,338)        |
| <b>Total equity</b>         |       | <u>-</u>  | <u>(3,550,336)</u> |

These financial statements were approved by the board of directors on 31 January 2011 and were signed on its behalf by



A C Martin  
Director



## Statement of changes in equity

For the year ended 30 June 2010

|  | Notes | Ordinary<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|--|-------|-----------------------------------|---------------------------|----------------------|
| Balance at 1 July 2008                         |       | 2                                 | (1,797,336)               | (1,797,334)          |
| <b>Total comprehensive income for the year</b> |       |                                   |                           |                      |
| Loss for the year                              |       | -                                 | (1,753,002)               | (1,753,002)          |
| <b>Total comprehensive income for the year</b> |       | -                                 | (1,753,002)               | (1,753,002)          |
| Balance at 30 June 2009                        | 9     | 2                                 | (3,550,338)               | (3,550,336)          |
| <b>Total comprehensive income for the year</b> |       |                                   |                           |                      |
| Profit for the year                            |       | -                                 | 249,720                   | 249,720              |
| <b>Total comprehensive income for the year</b> |       | -                                 | 249,720                   | 249,720              |
| <b>Cashflows from investing activities</b>     |       |                                   |                           |                      |
| Capital Contribution                           |       | -                                 | 3,300,616                 | 3,300,616            |
| <b>Cashflows from investing activities</b>     |       | -                                 | 3,300,616                 | 3,300,616            |
| Balance at 30 June 2010                        | 9     | 2                                 | (2)                       | -                    |

## Statement of cashflow

For the year ended 30 June 2010

|   | 2010<br>£   | 2009<br>£   |
|---|-------------|-------------|
| <b>Cash flows from operating activities</b>           |             |             |
| Profit/(loss) before tax                              | 249,720     | (1,753,002) |
| <b>Changes in working capital:</b>                    |             |             |
| Decrease/(increase) in trade and other receivables    | 240,719     | (48,403)    |
| Decrease in inventories                               | 3,745,094   | 1,635,784   |
| Decrease in trade and other payables                  | (19,305)    | (62,877)    |
| Decrease in amounts owed to fellow group undertakings | (2,917,953) | (34,079)    |
| (Decrease)/increase in accruals and other liabilities | (1,298,275) | 262,577     |
| <b>Net cash used by operating activities</b>          | -           | -           |
| <b>Net increase in cash and cash equivalents</b>      | -           | -           |
| Cash and cash equivalents at beginning of year        | -           | -           |
| <b>Cash and cash equivalents at end of year</b>       | -           | -           |

## Notes to the financial statements

### 1 Accounting policies

Denbigh Gleeson (Cap Green) Limited ("Company") is a company incorporated in the United Kingdom

#### *Statement of compliance*

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs")

#### *Basis of preparation*

Assets and liabilities in the financial statements have been valued at historic cost except where otherwise indicated in these accounting policies

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates include the carrying value of land held for development, investment property, work in progress, amounts recoverable on contracts and the recoverability of trade receivables

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

#### *Revenue recognition*

Revenue from Property sales is recognised at the earlier of when contracts to sell are completed and title has passed or when unconditional contracts to sell are exchanged

Revenue from rental income from investment properties is recognised as the Company becomes entitled to the income

#### *Inventories*

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Deferred land purchases are included in inventories at their net present values at original purchase date

#### *Trade receivables*

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

#### *Trade and other payables*

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *Tax*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the values used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and the Company can control the timing of the reversal. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

#### *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 2 Segmental information

The Company's turnover and results arose from, and the Company's net assets are deployed in, commercial property development in the United Kingdom.

### 3 Financial costs

|                                 | 2010<br>£ | 2009<br>£      |
|---------------------------------|-----------|----------------|
| Interest on joint venture loans | -         | 283,027        |
|                                 | <u>-</u>  | <u>283,027</u> |

## Notes to the financial statements *(continued)*

### 4 Taxation

Corporation tax was 28% throughout the period. The weighted average tax is calculated at 28% (2009 28%) of the estimated assessable profit for the year

|  | 2010<br>£ | 2009<br>£   |
|--|-----------|-------------|
| Profit/(loss) on ordinary activities before tax              | 249,720   | (1,753,002) |
| Tax charge at standard rate                                  | 69,922    | (490,841)   |
| Effects of   |           |             |
| Unutilised losses carried forward                            | -         | 403,039     |
| Utilisation of losses brought forward                        | (69,922)  | -           |
| Utilisation of tax losses                                    | -         | 87,802      |
| Tax expense and effective tax rate for the year (note 4 (a)) | -         | -           |

### 5 Trade and other receivables

|                                | 2010<br>£ | 2009<br>£ |
|--------------------------------|-----------|-----------|
| <b>Current assets</b>          |           |           |
| Other debtors                  | -         | 2         |
| Prepayments and accrued income | -         | 240,717   |
|                                | -         | 240,719   |

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value and includes an allowance for doubtful debts estimated by the Company's management based on prior experience and their assessment of specific circumstances. See note 8 for reference to credit risk associated with trade receivables. None of the amounts due are interest bearing.

### 6 Inventories

|                      | 2010<br>£ | 2009<br>£ |
|----------------------|-----------|-----------|
| Development property | -         | 3,745,094 |

## Notes to the financial statements *(continued)*

### 7 Trade and other payables

|   | 2010<br>£ | 2009<br>£        |
|---|-----------|------------------|
| <b>Current liabilities</b>                |           |                  |
| Amounts owed to fellow group undertakings | -         | 6,218,569        |
| Other creditors                           | -         | 19,305           |
| Accruals and deferred income              | -         | 1,298,275        |
|   | <u>-</u>  | <u>7,536,149</u> |

The Directors consider that the carrying amount of trade and other payables approximates to their fair value

### 8 Financial instruments

#### ***Risk Exposure***

The Company operates within the central treasury function for the MJ Gleeson Group. The treasury function arranges loans and funding, invests any surplus liquidity and manages financial risk. Further information is provided within the MJ Gleeson Group accounts.

#### ***Credit risk***

The Company is not exposed to credit risk.

#### ***Trade receivables ageing***

The ageing of gross trade receivables at the reporting date was

|              | 2010<br>£ | 2009<br>£      |
|--------------|-----------|----------------|
| Not past due | -         | 240,719        |
|              | <u>-</u>  | <u>240,719</u> |

There are no amounts past due in the other receivables.

#### ***Interest rate risk***

The Company is not exposed to variations in interest rates.

#### ***Capital management***

The Company's primary capital management objective is to ensure that the Group maintains investor, creditor and market confidence, to support its business and to maximise shareholder value.

The Company is not subject to externally imposed capital requirements.

## Notes to the financial statements *(continued)*

### 9 Share capital

|                              | 2010              |                   | 2009              |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                              | No.               | £                 | No                | £                 |
| <i>Authorised</i>            |                   |                   |                   |                   |
| Ordinary shares of £1 each   | 100               | 100               | 100               | 100               |
|                              | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <i>Issued and fully paid</i> |                   |                   |                   |                   |
| Ordinary shares of £1 each   | 2                 | 2                 | 2                 | 2                 |
|                              | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

### 10 Related party transactions

During the year, a balance of £3,300,616 (2009 £Nil) due to Gleeson Properties Ltd, the parent company, was waived as the debt was no longer recoverable from the Company

### 11 Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

Denbigh Gleeson (Cap Green) Limited is wholly owned subsidiary of Gleeson Properties Limited (registered in England and Wales) and considers M J Gleeson Group Plc (registered in England and Wales), its ultimate parent company

The smallest and largest group in which the results of the Company are consolidated is that headed by M J Gleeson Group Plc. The consolidated financial statements of this group may be obtained from the Company Secretary, Integration House, Rye Close, Ancells Business Park, Fleet, Hampshire GU51 2QG