

DALTON 009 LIMITED

Report and Financial Statements

Year ended 31 May 2009



DALTON 009 LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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DALTON 009 LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Davison
P F Ellison
P A Emerson
T G Haughey
B W Hick
P M Levine
N Pickard
W L Ross
J L Severs

SECRETARY

P J Davison

REGISTERED OFFICE

Dalton Airfield Industrial Estate
Dalton
Thursk
North Yorkshire
YO7 3JN

BANKERS

Bank of Scotland
116 Wellington Street
Leeds
LS1 4LT

SOLICITORS

hlw
Princess House
122 Queen Street
SHEFFIELD
S1 2DW

AUDITORS

Deloitte LLP
Chartered Accountants & Registered Auditors
Leeds

DALTON 009 LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2009

ACTIVITIES

The principal activity of the company is the holding of investment properties

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the performance of the company and expect this to continue in the future

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the period are set out in the profit and loss account on page 5

The directors do not recommend the payment of a dividend. A profit of £208,392 has been transferred to reserves (2008 £165,817)

DIRECTORS AND THEIR INTERESTS

The directors of the company who held office during the year, and subsequently, are set out on page 1

GOING CONCERN

The financial performance and position of the company is shown on pages 5 – 10 of the financial statements

The company receives rental income from its investment property and is funded by long term bank debt and shareholder loans. The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF RELEVANT INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors of the company. A resolution to reappoint them is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



P J Davison
Director
19 February 2010

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 accounting estimates that are reasonable and prudent, 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DALTON 009 LIMITED

We have audited the financial statements of Dalton 009 Limited for the year ended 31 May 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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

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.

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 May 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

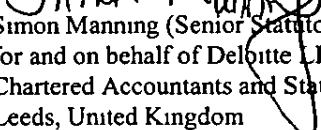
Opinion on other matter prescribed by the Companies Act 2006

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.


Simon Manning (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Leeds, United Kingdom
19 February 2010

DALTON 009 LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 May 2009

	Note	2009 £	2008 £
TURNOVER – continuing operations		300,000	301,280
Cost of sales		-	-
GROSS PROFIT		300,000	301,280
Other income		24,530	-
Administrative expenses		(4,463)	(7,973)
OPERATING PROFIT – continuing operations	2	320,067	293,307
Interest receivable and similar income		3,982	8,869
Interest payable and similar charges	3	(46,202)	(84,342)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		277,847	217,834
Tax on profit on ordinary activities	4	(69,455)	(52,017)
RETAINED PROFIT FOR THE YEAR TRANSFERRED TO RESERVES	10,11	208,392	165,817

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses is given.

DALTON 009 LIMITED

BALANCE SHEET 31 May 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	5	<u>1,769,530</u>	<u>1,772,000</u>
CURRENT ASSETS			
Debtors	6	975	-
Cash at bank and in hand		<u>44,433</u>	<u>255,289</u>
		45,408	255,289
CREDITORS: amounts falling due within one year	7	<u>(599,685)</u>	<u>(648,928)</u>
NET CURRENT LIABILITIES		<u>(554,277)</u>	<u>(393,639)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,215,253	1,378,361
CREDITORS: amounts falling due after more than one year	8	<u>(603,875)</u>	<u>(975,375)</u>
		<u>611,378</u>	<u>402,986</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,800	1,800
Profit and loss account	10	<u>609,578</u>	<u>401,186</u>
TOTAL SHAREHOLDERS' FUNDS		<u>611,378</u>	<u>402,986</u>

These financial statements of Dalton 009 Limited, registered number 5453529, were approved by the Board of Directors on 19 February 2010

Signed on behalf of the Board of Directors



P J Davison
Director

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 May 2009****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention, except for the revaluation of investment properties as noted below. Compliance with SSAP19 Accounting for investment properties requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation of the departure is given below. The accounting policies have all been applied consistently throughout the current and previous year.

The financial statements are prepared on a going concern basis. Further information is given in the directors' report on page 2.

Cashflow statement

The company has taken advantage of the exemption granted to small companies under Financial Reporting Standard No. 1 not to disclose a cashflow statement.

Investment properties

In accordance with Statement of Standard Accounting Practice No. 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in Statement of Standard Accounting Practice No. 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt Statement of Standard Accounting Practice No. 19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents the value of rentals receivable by the company in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

2. OPERATING PROFIT

	2009	2008
	£	£
Operating profit is stated after (crediting)/charging.		
Profit on sale of land	(24,530)	-
Auditors' remuneration - fees payable to the company's auditors for the audit of the company's annual accounts	3,000	3,525
Auditors' remuneration for non audit services- taxation	1,500	1,975
	<u> </u>	<u> </u>

The directors received no remuneration in the period and the company has no employees other than the directors.

DALTON 009 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2009

3. INTEREST PAYABLE

	2009	2008
	£	£
Interest on bank loan	45,933	83,041
Other interest payable	269	1,301
	<u>46,202</u>	<u>84,342</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£	£
Current tax		
UK corporation tax	69,455	52,017
Deferred tax	-	-
Tax on profit on ordinary activities	<u>69,455</u>	<u>52,017</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2009	2008
	£	£
Profit on ordinary activities before tax	<u>277,847</u>	<u>217,834</u>
Tax on ordinary activities at standard UK corporation tax rate of 28% (2008 29.67%)	77,797	64,624
Effects of		
Non taxable income	(74)	-
Expenses not deductible for tax purposes	-	30
Effects of other tax rates/credits	<u>(8,268)</u>	<u>(12,637)</u>
	<u>69,455</u>	<u>52,017</u>

There is no provided or unprovided deferred tax in the current year (2008 nil)

DALTON 009 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2009

5. INVESTMENT PROPERTIES

	2009 £	2008 £
At valuation		
At 1 June 2008	1,772,000	1,772,000
Disposals	(2,470)	-
	<u>1,769,530</u>	<u>1,772,000</u>
At 31 July 2009	<u>1,769,530</u>	<u>1,772,000</u>

The property is carried at the Directors valuation at 31 May 2009 based on a review of market conditions at that date

6. DEBTORS

	2009 £	2008 £
Prepayments	<u>975</u>	<u>-</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Bank loan	144,500	144,500
Other creditors (note 12)	378,000	378,000
Corporation tax	69,455	101,680
Accruals	7,730	24,748
	<u>599,685</u>	<u>648,928</u>

8. CREDITORS: AMOUNTS DUE IN MORE THAN ONE YEAR

	2009 £	2008 £
Bank loan		
Due within one year	144,500	144,500
Due in one to two years	144,500	144,500
Due in two to five years	433,500	433,500
Due after five years	25,875	397,375
	<u>748,375</u>	<u>1,119,875</u>
Less amounts due within one year (note 7)	<u>(144,500)</u>	<u>(144,500)</u>
	<u>603,875</u>	<u>975,375</u>

A bank loan of £1,445,000 was obtained from the Bank of Scotland in December 2005. Interest is payable at the Bank of Scotland base rate plus 1.5%. The loan capital is being repaid over ten years. The bank loan is secured on the investment property.

DALTON 009 LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 May 2009

9. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised, called up, allotted and fully paid		
200 'A' Ordinary Shares of £1 each	200	200
200 'B' Ordinary Shares of £1 each	200	200
200 'C' Ordinary Shares of £1 each	200	200
200 'D' Ordinary Shares of £1 each	200	200
200 'E' Ordinary Shares of £1 each	200	200
200 'F' Ordinary Shares of £1 each	200	200
200 'G' Ordinary Shares of £1 each	200	200
200 'H' Ordinary Shares of £1 each	200	200
200 'I' Ordinary Shares of £1 each	200	200
	<u>1,800</u>	<u>1,800</u>

All the shares rank pari passu in all respects

10. RESERVES

	Profit and loss account reserve £
At 1 June 2008	401,186
Retained profit for the financial year	<u>208,392</u>
At 31 May 2009	<u>609,578</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial period	208,392	165,817
Opening shareholders' funds	<u>402,986</u>	<u>237,169</u>
Closing shareholders' funds	<u>611,378</u>	<u>402,986</u>

12. RELATED PARTY TRANSACTIONS

During the period the company entered into transactions with the following parties which are related parties as defined by Financial Reporting Standard No 8

- (i) Rent of £300,000 has been charged in the year to Severfield-Reeve Structures Limited T G Haughey, P J Davison and P F Ellison are directors of Severfield-Reeve Structures Limited B W Hick was also a director of Severfield-Reeve Structures Limited until 31 December 2009

All these transactions were carried out on an arms' length basis

On 28 December 2005 each of the nine directors of the company paid £42,000 to the company in the form of an interest free loan As at 31 May 2009 the full balance of £378,000 (2008 £378,000) was due to the directors of the company There is no fixed repayment date for this balance