

Company Registration No. 5457495 (England and Wales)

**ZESTHOUSE LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**



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# ZESTHOUSE LIMITED

## COMPANY INFORMATION

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<b>Director</b>	S S Conway
<b>Secretary</b>	A W Porter
<b>Company number</b>	5457495
<b>Registered office</b>	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS
<b>Auditors</b>	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
<b>Business address</b>	PO Box 206 Loughton Essex IG10 1PL
<b>Bankers</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP  Principality Building Society P O Box 89 Principality Buildings Queen Street Cardiff CF10 1UA
<b>Solicitors</b>	Howard Kennedy 19 Cavendish Square London W1A 2AW

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# ZESTHOUSE LIMITED

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# **ZESTHOUSE LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2013**

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The director presents his report and financial statements for the year ended 31 March 2013

#### **Principal activities**

The principal activity of the company continued to be that of property development

#### **Director**

The following director has held office since 1 April 2012

S S Conway

#### **Statement of director's responsibilities**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

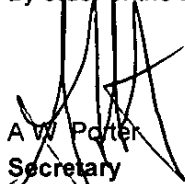
#### **Statement of disclosure to auditors**

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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



A W Porter  
Secretary  
26 September 2013

# **ZESTHOUSE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ZESTHOUSE LIMITED**

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We have audited the financial statements of Zesthouse Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet and the related notes. 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 director and auditors**

As explained more fully in the statement of director's responsibilities, the director is 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter - going concern**

In forming our opinion on the financial statements, which is not modified, 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 is reliant on the continuing support of its bankers. One of the company's loan covenants was breached in the current and the prior year. The directors have had no indication from the bank that they will call in their security over the property as a result of the breach although there is no guarantee that they will not do so. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ZESTHOUSE LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF ZESTHOUSE LIMITED

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#### 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, or
- the director was not entitled to prepare the financial statements and the director's report in accordance with the small companies regime

BDO LLP

Thomas Edward Goodworth (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date

26/09/13

BDO LLP is a limited liability partnership registered in England and Wales  
(with registered number OC305127)

# ZESTHOUSE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Cost of sales		(5,339)	(9,969)
<b>Gross loss</b>		<b>(5,339)</b>	<b>(9,969)</b>
Administrative expenses		(874)	(601)
Other operating income		9,652	30,143
<b>Operating profit</b>	<b>2</b>	<b>3,439</b>	<b>19,573</b>
Other interest receivable and similar income		-	1
Interest payable and similar charges	<b>3</b>	(27,968)	(24,798)
<b>Loss on ordinary activities</b>		<b>(24,529)</b>	<b>(5,224)</b>
<b>Joint developer's share of loss</b>		<b>15,702</b>	<b>9,059</b>
<b>(Loss)/profit on ordinary activities before and after taxation</b>	<b>7</b>	<b>(8,827)</b>	<b>3,835</b>

All amounts relate to continuing activities

All recognised gains and losses in the account and prior year are included in the profit and loss account  
There are no movements in shareholder's funds in the current or prior year apart from the profit and loss

The notes on pages 6 to 8 form part of these financial statements

# ZESTHOUSE LIMITED

## BALANCE SHEET AS AT 31 MARCH 2013

Company Registration No. 5457495

	Notes	2013 £	£	2012 £	£
<b>Current assets</b>					
Stocks		990,882		990,882	
Debtors	4	154,374		132,821	
Cash at bank and in hand		12		2,625	
		<u>1,145,268</u>		<u>1,126,328</u>	
<b>Creditors' amounts falling due within one year</b>	5	<u>(1,205,996)</u>		<u>(1,178,229)</u>	
<b>Total assets less current liabilities</b>			<u>(60,728)</u>		<u>(51,901)</u>
<b>Capital and reserves</b>					
Called up share capital	6		2		2
Profit and loss account	7		<u>(60,730)</u>		<u>(51,903)</u>
<b>Shareholders' funds</b>			<u>(60,728)</u>		<u>(51,901)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board and authorised for issue on 26 September 2013

S S Conway  
Director

The notes on pages 6 to 8 form part of these financial statements



# **ZESTHOUSE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **Going concern**

The company's bank loan includes a net rental income to interest cover covenant. The company is in breach of this covenant at the year-end as it was as at the previous year end. The directors have had no indication from the bank that they will call in their security over the property as a result of the breach although there is no guarantee that they will not do so. The loan has been reclassified as falling due within one year as a result of the breach. These conditions indicate that there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors, in their consideration of going concern, have reviewed the company's future cash forecasts and revenue projections, which they believe are based on prudent market data and past experience and believe, based on those forecasts and projections and the continued support of the bank involved, that it is appropriate to prepare the financial statements on a going concern basis. These financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover comprises amounts receivable from the sale of developed units. Profit on the sale of developed units is taken on receipt of sales proceeds at legal completion.

#### **1.4 Stock**

Stock represents property acquired for development together with work in progress on those properties. These assets are included at the lower of cost and net realisable value. Cost for this purpose comprises the purchase cost of the land and buildings and development expenditure.

Profit on sale of developed properties are taken on receipt of sales proceeds at legal completion. Costs attributable to each sale comprise an appropriate proportion of the total costs of the development.

#### **1.5 Deferred taxation**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### **1.6 Finance costs**

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

# ZESTHOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

### 1 Accounting policies (continued)

#### 1.7 Other operating income

Other operating income comprises rental income net of value added tax and expenses directly attributable to the rental property

2 Operating profit	2013 £	2012 £
Operating profit is stated after charging		
Auditors' remuneration	750	500

3 Interest payable	2013 £	2012 £
On bank loans and overdrafts	27,968	24,798

4 Debtors	2013 £	2012 £
Trade debtors	695	3,530
Amounts due from joint developer	144,993	129,291
Prepayments	8,686	-
	154,374	132,821

All amounts shown under debtors fall due for payment within one year

5 Creditors amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts (secured)	587,284	616,931
Trade creditors	6,615	4,974
Amounts owed to group undertakings	608,827	553,655
Accruals and deferred income	3,270	2,669
	1,205,996	1,178,229

6 Share capital	2013 £	2012 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

# ZESTHOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

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### 7 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2012	(51,903)
Loss for the year	(8,827)
Balance at 31 March 2013	<u>(60,730)</u>

### 8 Control

The immediate parent company is Galliard Homes Limited, a company registered in England and Wales and the ultimate parent company is Galliard (Group) Limited, a company registered in England and Wales

Galliard Homes Limited and Galliard (Group) Limited prepare group financial statements and copies can be obtained from 3rd Floor Sterling House, Langston Road, Loughton, Essex IG10 3TS

In the opinion of the directors, there is no ultimate controlling party

### 9 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8, from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company and are publicly available