



**GALLIARD HOMES LIMITED**



**MAXILLIA PROPERTIES LIMITED**

**Financial Statements for the year ended 31<sup>st</sup> July 2009**

Registered number 5664857



**MAXILLIA PROPERTIES LIMITED**  
**Financial statements for the year ended 31 July 2009**

---

**Contents**

**Page:**

1	Report of the directors
3	Report of the auditors
4	Profit and loss account
5	Balance sheet
6	Cash flow statement
7- 11	Notes forming part of the financial statements

---

**Directors**

G D Angus  
S S Conway  
W C Gair  
B J Tansey

**Secretary**

B B Tansey

**Registered Office**

Heron House  
109 – 115 Wembley Hill Road  
Wembley  
Middlesex  
HA9 8DA

**Company number**

5664857

**Auditors**

Geary Partnership, Church Hill Farm, Elmstone, Canterbury, Kent, CT3 1HN

-----

## **MAXILLIA PROPERTIES LIMITED**

### **Report of the directors for the year ended 31 July 2009**

---

The directors present their report together with the audited financial statements for the year ended 31 July 2009.

#### **Principal activity**

The company commenced trading in January 2007 when it acquired development land in Docklands, East London. The company anticipates completing the project in the latter part of 2010.

The company's activity is a joint venture between Galliard Homes Limited and Mizen Properties Limited, each of which holds 50% of the company's issued share capital and has equal board representation through two directors.

#### **Results and dividends**

The directors report a loss before taxation of £1,670,413 for the year (2008 £993,197). See page 4. This loss arises primarily because of the company's prudent accounting policy relating to finance costs, under which interest is charged to the profit and loss account when incurred.

No dividends were proposed or paid during the year (2008 £nil).

#### **Directors**

The directors throughout the year were

G D Angus  
S S Conway  
W C Gair  
B J Tansey (Chairman)

#### **Directors' responsibilities**

The directors are responsible for preparing their 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 year. 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,

state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements, and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**MAXILLIA PROPERTIES LIMITED**

**Report of the directors for the year ended 31 July 2009 (continued)**

---

**Directors' responsibilities (continued)**

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

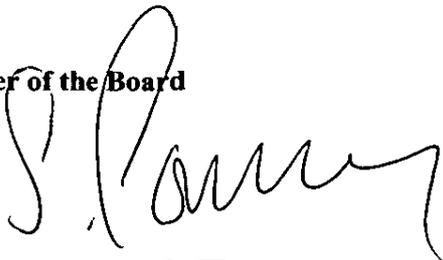
**Auditors**

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

The company's auditors, Geary & Co, now practice as Geary Partnership, and accordingly the auditors' report has been signed in their new name. Geary Partnership have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The above 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**



---

S S Conway

26 April 2010

Company number: 5664857

## MAXILLIA PROPERTIES LIMITED

### Report of the independent auditors to the shareholders of Maxillia Properties Limited

We have audited the financial statements of Maxillia Properties Limited for the year ended 31 July 2009 on pages 4 to 11 which have been prepared under the accounting policies set out on page 7

This report is made solely to the company's shareholders, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 auditors*

As described on pages 1 and 2, the company's directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). In forming our opinion we are also required to comply with the Auditing Practices Board's Ethical Standards.

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the audited financial statements. Our responsibilities do not extend to any other information.

#### *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.

#### *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 31 July 2009 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the directors' report is consistent with the financial statements.

*C. M. Geary*

**Christopher Geary** (Senior Statutory Auditor)

for and on behalf of

**Geary Partnership**

Chartered Accountants & Statutory Auditors

Church Hill Farm, Elmstone, Canterbury, Kent, CT3 1HN

26 April 2010

**MAXILLIA PROPERTIES LIMITED****Profit and loss account for the year ended 31 July 2009**

	Note	2009 £	2008 £
<b>Turnover</b>	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Administrative expenses		(44,981)	(49,499)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	3	(44,981)	(49,499)
Interest receivable		2,246	117,025
Interest payable and similar charges	4	(1,627,678)	(1,060,723)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>		(1,670,413)	(993,197)
Taxation	5	-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the year after taxation</b>		(1,670,413)	(993,197)
Dividends	6	-	-
		<hr/>	<hr/>
<b>Retained profit/(loss) for the year</b>		(1,670,413)	(993,197)
<b>Retained profit/(loss) brought forward</b>		(1,188,159)	(194,962)
		<hr/>	<hr/>
<b>Retained profit/(loss) carried forward</b>		(2,858,572)	(1,188,159)
		<hr/>	<hr/>

All amounts relate to continuing activities

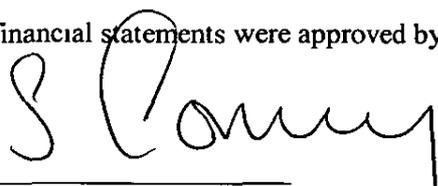
The company had no recognised gains or losses during the two years other than as stated above

**MAXILLIA PROPERTIES LIMITED****Balance sheet at 31 July 2009**

	Note	2009 £	2008 £
<b>Current assets</b>			
Stocks	7	34,160,352	23,237,205
Debtors	8	3,218,373	3,302,704
Cash at bank and in hand		6,351	75,595
		<hr/>	<hr/>
		37,385,076	26,615,504
<b>Creditors: amounts falling due within one year</b>	9	(7,758,714)	(1,087,005)
		<hr/>	<hr/>
<b>Net current assets</b>		29,626,362	25,528,499
<b>Creditors: amounts falling due after more than one year</b>	10	(32,484,932)	(26,716,656)
		<hr/>	<hr/>
<b>Net assets/(deficit)</b>		(2,858,570)	(1,188,157)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account		(2,858,572)	(1,188,159)
		<hr/>	<hr/>
<b>Shareholders' funds/(deficit)</b>	12	(2,858,570)	(1,188,157)
		<hr/>	<hr/>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board on 26 April 2010



S S Conway

**MAXILLIA PROPERTIES LIMITED**

**Cash flow statement for the year ended 31 July 2009**

	Note	2009		2008	
		£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	13		(11,906,815)		(6,922,933)
<b>Returns on investments and servicing of finance</b>					
Interest received		2,246		117,025	
Interest paid		(1,627,678)		(1,060,723)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(1,625,432)		(943,698)
<b>Taxation</b>			-		-
<b>Capital expenditure</b>			-		-
<b>Cash inflow/(outflow) before the use of liquid resources</b>			(13,532,247)		(7,866,631)
<b>Financing</b>					
Increase in bank loans		13,399,278		5,923,137	
Increase in loans from joint venture companies		63,725		3,102	
			13,463,003		5,926,239
<b>Increase/(decrease) in cash</b>	14		(69,244)		(1,940,392)

# MAXILLIA PROPERTIES LIMITED

## Notes to the financial statements for the year ended 31 July 2009

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents gross income receivable, excluding VAT, on the sale of development properties. Profits or losses on the sale of development properties are recognised on the completion of contracts for sale.

#### *Stocks*

Stocks of property developments are valued at the lower of cost and net realisable value. Cost includes the purchase and subsequent expenditure specifically attributable to a development property.

#### *Finance costs*

Interest on borrowings is charged to the profit and loss account when incurred. Other finance costs are charged over the term of the debt.

### 2 Turnover

The company's activity is wholly in the United Kingdom.

### 3 Operating profit/(loss)

	2009 £	2008 £
This has been arrived at after charging		
Auditors' remuneration	3,800	3,700
Directors' fees	40,000	40,000
	<hr/>	<hr/>

### 4 Interest payable and similar charges

	2009 £	2008 £
Bank interest and charges	1,627,678	1,060,723
	<hr/>	<hr/>

**MAXILLIA PROPERTIES LIMITED****Notes to the financial statements for the year ended 31 July 2009 (continued)****5 Taxation on profit/(loss) on ordinary activities**

	2009 £	2008 £
<i>UK Corporation tax</i>		
Current tax charge/(credit) for the year	-	-
<hr/>		
The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below		
Loss on ordinary activities before tax	(1,670,413)	(993,197)
<hr/>		
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 30%)	(467,716)	(297,959)
Consortium relief – provided for no consideration	467,716	297,959
<hr/>		
Current tax charge/(credit) for the year	-	-
<hr/>		

**6 Dividends**

No dividends have been proposed or paid (2008 £nil)

**7 Stocks**

	2009 £	2008 £
Development land	13,826,725	13,796,630
Work in progress	20,333,627	9,440,575
<hr/>		
	34,160,352	23,237,205
<hr/>		

**8 Debtors**

	2009 £	2008 £
Deposits held by solicitors	2,590,633	2,569,061
Taxation	4,504	17,133
Prepayments	623,236	716,510
<hr/>		
	3,218,373	3,302,704
<hr/>		

**MAXILLIA PROPERTIES LIMITED****Notes to the financial statements for the year ended 31 July 2009 (continued)****9 Creditors: amounts falling due within one year**

	2009 £	2008 £
Amounts owed to joint venture companies	29,445	1,080,599
Deferred income	6,172,736	-
Deferred land cost	1,550,000	-
Trade creditors	-	4,406
Accruals	6,533	2,000
	<u>7,758,714</u>	<u>1,087,005</u>

**10 Creditors: amounts falling due after more than one year**

	2009 £	2008 £
Bank loan (secured)	30,418,105	17,018,827
Amounts owed to joint venture companies	2,066,827	2,003,102
Deferred income	-	6,144,727
Deferred land cost	-	1,550,000
	<u>32,484,932</u>	<u>26,716,656</u>

The above liabilities are due for repayment by 31 December 2010

**11 Share capital**

	2009 £	2008 £
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**MAXILLIA PROPERTIES LIMITED**Notes to the financial statements for the year ended 31 July 2009 *(continued)***12 Reconciliation of movements in shareholders' funds/(deficit)**

	2009 £	2008 £
Loss for the year	(1,670,413)	(993,197)
Opening shareholders' funds/(deficit)	(1,188,157)	(194,960)
Closing shareholders' funds/(deficit)	(2,858,570)	(1,188,157)

**13 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities**

	2009 £	2008 £
Operating profit/(loss)	(44,981)	(49,499)
Decrease/(increase) in stocks	(10,923,147)	(8,714,007)
Decrease/(increase) in debtors	84,331	668,323
Increase/(decrease) in creditors	(1,023,018)	1,172,250
Net cash inflow/(outflow) from operating activities	(11,906,815)	(6,922,933)

**14 Reconciliation of net cash flow to movement in net funds**

	2009 £	2008 £
Increase/(decrease) in cash	(69,244)	(1,940,392)
Decrease/(increase) in bank loans	(13,399,278)	(5,923,137)
Decrease/(increase) in loans from joint venture companies	(63,725)	(3,102)
Changes in net funds	(13,532,247)	(7,866,631)
Opening net funds/(debt)	(18,946,334)	(11,079,703)
Closing net funds/(debt)	(32,478,581)	(18,946,334)

**MAXILLIA PROPERTIES LIMITED**Notes to the financial statements for the year ended 31 July 2009 *(continued)***15 Analysis of changes in net funds**

	At 01/08/08 £	Cash flows £	Other changes £	At 31/07/09 £
<u>Cash</u>				
Cash at bank and in hand	75,595	(69,244)	-	6,351
<u>Financing</u>				
Bank loans	(17,018,827)	(13,399,278)	-	(30,418,105)
Loans from joint venture companies	(2,003,102)	(63,725)	-	(2,066,827)
	-----	-----	-----	-----
Total	(18,946,334)	(13,532,247)	-	(32,478,581)
	-----	-----	-----	-----

**16 Related party transactions**

Transactions took place as follows between the company and its joint venture partners on normal commercial terms during the year

The company purchased marketing and professional services from Galliard Homes Limited at a cost of £17,225 (2008 £121,486).

Fees of £20,000 for services of directors G D Angus and S S Conway were paid to Galliard Homes Limited, and fees of £10,000 for services of director B J Tansey were paid to Mizen Properties Limited

Construction work on the development has been carried out by Mizen Design Build Limited (a subsidiary of Mizen Properties Limited) under a formal JCT construction contract. The value of construction works completed and included in the financial statements to 31 July 2009 is £20,333,627 (2008 £9,440,575)

Amounts owed to joint venture partners were as follows

	2009 £	2008 £
Galliard Homes Limited	1,097,862	1,062,137
Mizen Properties Limited and subsidiary companies	998,410	2,021,564
	-----	-----

**17 Control**

The company is controlled jointly by Galliard Homes Limited and Mizen Properties Limited.

**MAXILLIA PROPERTIES LIMITED****Detailed profit and loss account for the year ended 31 July 2009**

	2009 £	2008 £
<b>Turnover</b>	-	-
Cost of sales	-	-
	<hr/>	<hr/>
<b>Gross profit</b>	-	-
Directors' fees	(40,000)	(40,000)
General expenses	(567)	(5,999)
Audit fee	(4,414)	(3,500)
	<hr/>	<hr/>
<b>Operating profit/(loss)</b>	(44,981)	(49,499)
Bank interest and charges	(1,627,678)	(1,060,723)
Interest receivable	2,246	117,025
	<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>	(1,670,413)	(993,197)
	<hr/>	<hr/>