

Gardenbook Leicester Limited

---

**Gardenbook Leicester Limited**

**Report and Financial Statements**

**For the year ended 30 September 2007**

SATURDAY



A01      \*AUX5349M\*      39  
25/10/2008  
COMPANIES HOUSE

Gardenbook Leicester Limited

---

**Company information**

---

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | M B Owen<br>A R Lovelady<br>H W Bilton<br>A J Norton                               |
| <b>Secretary</b>         | A R Lovelady   |
| <b>Company number</b>    | 5694338  |
| <b>Registered office</b> | North House<br>17 North John Street<br>Liverpool<br>L2 5EA                         |
| <b>Auditors</b>          | Ernst & Young LLP<br>Registered auditor<br>20 Chapel Street<br>Liverpool<br>L3 9AG |

---

**Directors' Report**  
**For the year ended 30 September 2007**

The directors present their report and the financial statements for the year ended 30 September 2007

**Principal activities**

The principal activity of the company during the year was property dealing and development in the United Kingdom

**Directors**

The directors who served during the year were

M B Owen  
A R Lovelady  
H W Bilton  
A J Norton

**Provision of information to auditors**

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on **30 SEP 2008** and signed on its behalf



**A R Lovelady**  
Director

---

**Statement of directors' responsibilities  
for the year ended 30 September 2007**

---

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 judgments 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.

---

## **Independent Auditors' report to the members of Gardenbook Leicester Limited**

---

We have audited the company's financial statements for the year ended 30 September 2007 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, 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 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and 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 judgments 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.

---

**Independent Auditors' report to the members of Gardenbook Leicester Limited**

---

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2007 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

*Ernst & Young LLP*

Ernst & Young LLP  
Registered auditor  
Liverpool

Date *3 October 2008*

**Profit and loss account  
for the year ended 30 September 2007**

|  | <i>Note</i> | <i>year ended<br/>30 September<br/>2007<br/>£000</i> | <i>8 months ended<br/>30 September<br/>2006<br/>£000</i> |
|--|-------------|--|--|
| <b>Turnover</b>                                    | 1           | 120  | 51   |
| Cost of sales                                      |             | (12)   | (14)   |
| <b>Gross profit</b>                                |             | 108  | 37   |
| Administrative expenses                            |             | (8)  | (11)   |
| <b>Operating profit</b>                            | 2           | 100  | 26   |
| Interest payable                                   |             | (214)  | (82)   |
| <b>Loss on ordinary activities before taxation</b> |             | (114)  | (56)   |
| Tax on loss on ordinary activities                 | 3           | -  | -  |
| <b>Loss on ordinary activities after taxation</b>  | 9           | (114)  | (56)   |

The notes on pages 7 to 10 form part of these financial statements

**Balance sheet**  
**as at 30 September 2007**

|  | <i>Note</i> | <i>£000</i>  | <i>2007<br/>£000</i> | <i>£000</i>  | <i>2006<br/>£000</i> |
|--|-------------|--------------|----------------------|--------------|----------------------|
| <b>Current assets</b>  |             |              |                      |              |                      |
| Stocks   | 4           | 2,810        |                      | 2,810        |                      |
| Debtors  | 5           | 45           |                      | 81           |                      |
|  |             | <u>2,855</u> |                      | <u>2,891</u> |                      |
| <b>Creditors: amounts falling due within one year</b>          | 6           | <u>(111)</u> |                      | <u>(57)</u>  |                      |
| <b>Net current assets</b>                                      |             |              | <u>2,744</u>         |              | <u>2,834</u>         |
| <b>Total assets less current liabilities</b>                   |             |              | <u>2,744</u>         |              | <u>2,834</u>         |
| <b>Creditors: amounts falling due after more than one year</b> | 7           |              | <u>(2,914)</u>       |              | <u>(2,890)</u>       |
| <b>Net liabilities</b>   |             |              | <u>(170)</u>         |              | <u>(56)</u>          |
| <b>Capital and Reserves</b>                                    |             |              |                      |              |                      |
| Called up share capital  | 8           |              | -                    |              | -                    |
| Profit and loss account  | 9           |              | <u>(170)</u>         |              | <u>(56)</u>          |
| <b>Shareholders' deficit</b>                                   |             |              | <u>(170)</u>         |              | <u>(56)</u>          |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

**30 SEP 2008**

  
**A R Lovelady**  
 Director

The notes on pages 7 to 10 form part of these financial statements



## **Notes to the financial statements**

### **For the year ended 30 September 2007**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

##### **1.2 Turnover**

Turnover represents completed property sales and gross rents and charges receivable and arises from the continuing activity of property dealing and development in the United Kingdom

##### **1.3 Stocks and work in progress**

Stocks, which comprise dealing and development property interests, are stated at the lower of cost and net realisable value

Costs represents all costs incurred in purchasing and developing property

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

##### **1.4 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 tax in the future

Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned

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

**Notes to the financial statements**  
For the year ended 30 September 2007

**2. Operating profit**

The operating profit is stated after charging

|                        | <i>year ended<br/>30 September<br/>2007<br/>£000</i> | <i>8 months ended<br/>30 September<br/>2006<br/>£000</i> |
|------------------------|--|--|
| Auditors' remuneration | 2  | 2  |

During the year, no director received any emoluments (2006 - £NIL)

**3. Taxation**

There is no liability based on the results of the period

**4 Stocks**

|  | <i>2007<br/>£000</i> | <i>2006<br/>£000</i> |
|--|----------------------|----------------------|
| Dealing and development property interests | 2,810                | 2,810                |

**5 Debtors**

|               | <i>2007<br/>£000</i> | <i>2006<br/>£000</i> |
|---------------|----------------------|----------------------|
| Trade debtors | 39                   | 75                   |
| Other debtors | 6                    | 6                    |
|               | 45                   | 81                   |

**6. Creditors**

**Amounts falling due within one year**

|                 | <i>2007<br/>£000</i> | <i>2006<br/>£000</i> |
|-----------------|----------------------|----------------------|
| Trade creditors | 41                   | 36                   |
| Other creditors | 70                   | 21                   |
|                 | 111                  | 57                   |

**Notes to the financial statements**  
For the year ended 30 September 2007

**7. Creditors.**  
**Amounts falling due after more than one year**

|                                 | 2007<br>£000 | 2006<br>£000 |
|---------------------------------|--------------|--------------|
| Bank loan                       | 1,563        | 1,563        |
| Amounts owed to related parties | 1,351        | 1,327        |
|                                 | <u>2,914</u> | <u>2,890</u> |

Creditors include amounts not wholly repayable within 5 years as follows

|                                     | 2007<br>£000 | 2006<br>£000 |
|-------------------------------------|--------------|--------------|
| Repayable other than by instalments | <u>1,351</u> | <u>1,327</u> |

The bank loan is secured on the company's dealing and development property interests

Included above are loans of £1,351,000 which are due to related parties. There are no fixed repayment terms for these loans which are available for over five years if required.

**8. Share capital**

|   | 2007<br>£000 | 2006<br>£000 |
|---|--------------|--------------|
| <b>Authorised, allotted, called up and fully paid</b> |              |              |
| 100 Ordinary Shares shares of £1 each                 | <u>-</u>     | <u>-</u>     |
| <b>Allotted, called up and partly paid</b>            |              |              |
| 100 Ordinary Shares shares of £1 each                 | <u>-</u>     | <u>-</u>     |

The authorised, allotted, called up and fully paid share capital comprises 50 'A' ordinary shares and 50 'B' ordinary shares. The 'A' and 'B' shares have equal rights.

**9. Reserves**

|                      | <i>Profit and loss<br/>account</i><br>£000 |
|----------------------|--|
| At 1 October 2006    | (56)                                       |
| Loss for the year    | (114)                                      |
| At 30 September 2007 | <u>(170)</u>                               |

**Notes to the financial statements**  
**For the year ended 30 September 2007**

**10. Related party transactions**

M B Owen and A R Lovelady are directors of Ethel Austin Properties Holdings Limited. At 30 September 2007, there were amounts of £747,000 (2006 £723,000), £302,000 (2006 £302,000) and £302,000 (2006 £302,000) due to Ethel Austin Properties Holdings Limited, H W Bilton and A J Norton respectively. Interest charged in respect of these loans for the year ended 30 September 2007 amounted to £97,000 (2006 £64,000) and interest accrued in respect of the loans from H W Bilton and A J Norton amounted to £65,000 (2006 £18,000).