

REGISTERED NUMBER: 06116464 (England and Wales)

**Report of the Director and
Audited Financial Statements for the year ended 28 February 2010
for
Trehiddle Village Limited**

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Trewhiddle Village Limited (Registered number. 06116464)

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for the year ended 28 February 2010**

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Trewhiddle Village Limited

**Company Information
for the year ended 28 February 2010**

DIRECTORS: J M Goldsmith
R B Green (resigned 1 November 2010)

SECRETARY: Throgmorton Secretaries LLP

REGISTERED OFFICE. 42-44 Portman Road
Reading
Berkshire
RG30 1EA

REGISTERED NUMBER. 06116464 (England and Wales)

AUDITORS: Bishop Fleming
Chy Nyverow
Newham Road
Truro
TR1 2DP

**Report of the Director
for the year ended 28 February 2010**

The director presents his report with the financial statements of the company for the year ended 28 February 2010

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of holiday villas development and letting. The director does not expect any change in the activities in the foreseeable future.

REVIEW OF BUSINESS

The loss for the year is reported in the profit and loss account on page 6 of these financial statements. The director does not recommend a dividend based on the results for the year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2009 to the date of this report except as indicated.

J M Goldsmith
R B Green (resigned 1 November 2010)

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

CHARITABLE DONATIONS

During the year the company made a charitable donation to the London Marathon of £4,050.

GOING CONCERN

In the opinion of the director the company has adequate resources to continue in operational existence for the foreseeable future and, therefore, the adoption of the going concern basis in preparing these financial statements remains appropriate.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director 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, and
- 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.

Trewhiddle Village Limited (Registered number 06116464)

**Report of the Director
for the year ended 28 February 2010**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In the case of the person who is director at the time when the report is approved

- 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 ought to be taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Bishop Fleming, have indicated their willingness to continue in office and a resolution concerning their reappointment will be tabled at a director's meeting to approve these financial statements

The report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD



J M Goldsmith – Director

Date 17 December 2010

Report of the Independent Auditors to the Shareholders of Trehiddle Village Limited

We have audited the financial statements of Trehiddle Village Limited for the year ended 28 February 2010, set out on pages 6 to 12. 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 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

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 director, and the overall presentation of the financial statements.

We planned 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. However, the audit evidence available to us was limited because we were unable to ascertain the current net realisable value regarding the work in progress and investment properties, having carrying amounts of £3,796,284 and £4,800,000 respectively. Due to the lack of information, limitations were placed on the scope of our work. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning work in progress and investment properties.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Emphasis of matter – going concern

In forming our opinion, we have considered the adequacy of disclosures made in the financial statements concerning the company's ability to continue as a going concern. The company, as of 28 February 2010, had net liabilities of £2,888,905 and made a loss of £682,641 in the year. 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 any adjustments that would result from failure to continue as a going concern. Details of the circumstances relating to this emphasis of matter are described in note 15. Our opinion is not qualified in this respect.

/cont'd

**Report of the Independent Auditors to the Shareholders of
Trehiddle Village Limited**

Qualified opinion on the financial statements arising from limitation in audit scope

With respect to work in progress and investment properties, having carrying amounts of £3,796,284 and £4,800,000 respectively, the audit evidence available to us was limited because we were unable to ascertain their current net realisable values. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock value by using other audit procedures

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the carrying value of the work in progress and investment properties, in our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2010 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

Opinion on other matters 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

Matters on which we are required to report by exception

In respect solely of the limitation in our work relating to work in progress and investment properties, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we were unable to determine whether proper accounting records had been maintained

Other than the above, 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 director's 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



Ian Fraser FCA (Senior Statutory Auditor)

For and on behalf of

BISHOP FLEMING

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

TR1 2DP

Date 17 December 2010

Trewhiddle Village Limited (Registered number 06116464)

**Profit and Loss Account
for the year ended 28 February 2010**

	Note	2010 £	2009 £
TURNOVER	2	7,936	20,634
Cost of sales		<u>(101,478)</u>	<u>(118,206)</u>
GROSS LOSS		(93,542)	(97,572)
Administrative expenses		<u>(375,047)</u>	<u>(409,979)</u>
OPERATING LOSS	3	(468,589)	(507,551)
Interest receivable and similar income		-	16,415
Interest payable and similar charges		<u>(214,052)</u>	<u>(319,165)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(682,641)	(810,301)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(682,641)</u>	<u>(810,301)</u>

All activities are derived from continuing operations

Statement of Total Recognised Gains and Losses for the year ended 28 February 2010

	2010 £	2009 £
Loss for the year as stated above	(682,641)	(810,301)
Unrealised loss on revaluation of investment properties	<u>(701,135)</u>	<u>-</u>
TOTAL RECOGNISED LOSS IN THE YEAR	<u>(1,383,776)</u>	<u>(810,301)</u>

The notes on pages 8 to 12 form part of these financial statements

Trewhiddle Village Limited (Registered number. 06116464)

**Balance Sheet
As at 28 February 2010**

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	5	197,267	5,221
Investment properties	6	<u>4,800,000</u>	<u>-</u>
		<u>4,997,267</u>	<u>5,221</u>
CURRENT ASSETS			
Stocks	7	3,796,284	8,598,452
Debtors	8	357,766	219,751
Cash at bank and in hand		<u>32,135</u>	<u>7,210</u>
		4,186,185	8,825,413
CREDITORS			
Amounts falling due within one year	9	<u>(514,835)</u>	<u>(708,688)</u>
NET CURRENT ASSETS		<u>3,671,350</u>	<u>8,116,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,668,617	8,121,946
CREDITORS			
Amounts falling due after more than one year	10	<u>(11,557,522)</u>	<u>(9,627,075)</u>
NET LIABILITIES		<u>(2,888,905)</u>	<u>(1,505,129)</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Revaluation reserve	12	(701,135)	-
Profit and loss account	12	<u>(2,187,771)</u>	<u>(1,505,130)</u>
SHAREHOLDERS' FUNDS		<u>(2,888,905)</u>	<u>(1,505,129)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the sole director on 17 December 2010



J M Goldsmith - Director

The notes on pages 8 to 12 form part of these financial statements

**Notes to the Financial Statements
for the year ended 28 February 2010**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, which have been applied consistently throughout the year

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience

The depreciation rates are -

Fixtures and fittings (straight line) 4 years

Computer equipment (straight line) 3 years

Investment properties

Investment properties are stated at open market value and are not subject to periodic charges for depreciation. Changes in the market value are taken to the statement of total recognised gains and losses and disclosed as a movement on the investment revaluation reserve. Any permanent reduction in value below the investment revaluation reserve is expensed through the profit and loss account

Stocks

Work in progress is valued at the lower of cost and net realisable value

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Expenses

Expenses incurred are recognised on an accrual basis

Notes to the Financial Statements - continued
for the year ended 28 February 2010

Going concern

These financial statements have been prepared on the going concern basis. This basis may not be appropriate, as at the balance sheet date, the company had net liabilities of £2,888,905 and made a loss of £682,641 in the year.

However, due to the continued support of the company's bankers, and related parties, the director is confident that the company has adequate resources to trade for the foreseeable future. In making this assessment, the director has considered the expected future financial performance of the company, and the plans in place to meet those needs.

2 TURNOVER

The principal activities of the company in the year under review were those of holiday villas development and letting.

3 OPERATING LOSS

The operating loss is stated after charging

	2010 £	2009 £
Depreciation - owned assets	11,716	1,907
Auditors' remuneration	<u>5,000</u>	<u>5,000</u>
Directors' emoluments and other benefits etc	<u>22,500</u>	<u>18,000</u>

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 28 February 2010 nor for the year ended 28 February 2009.

Notes to the Financial Statements - continued
for the year ended 28 February 2010

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer Equipment £	Total £
COST			
At 1 March 2009	5,857	2,089	7,946
Additions	<u>203,762</u>	<u>-</u>	<u>203,762</u>
At 28 February 2010	<u>209,619</u>	<u>2,089</u>	<u>211,708</u>
DEPRECIATION			
At 1 March 2009	2,407	318	2,725
Charge for year	<u>11,021</u>	<u>695</u>	<u>11,716</u>
At 28 February 2010	<u>13,428</u>	<u>1,013</u>	<u>14,441</u>
NET BOOK VALUE			
At 28 February 2010	<u>196,191</u>	<u>1076</u>	<u>197,267</u>
At 28 February 2009	<u>3,450</u>	<u>1,771</u>	<u>5,221</u>

6 INVESTMENT PROPERTIES

	2010 £	2009 £
Market value	<u>4,800,000</u>	<u>-</u>

Investment properties comprise sixteen holiday villas and are included at a market value of £300,000 each. The market value is determined on an open market, vacant possession basis by J M Goldsmith, director.

7 STOCKS

	2010 £	2009 £
Work-in-progress	<u>3,796,284</u>	<u>8,598,452</u>

8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Other debtors	263,713	178,298
VAT	46,256	-
Prepayments	47,352	41,453
Accrued income	<u>445</u>	<u>-</u>
	<u>357,766</u>	<u>219,751</u>

Notes to the Financial Statements - continued
for the year ended 28 February 2010

9 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	38,283	50,989
VAT	-	16,248
Other creditors	43,582	53,510
Accruals	<u>432,970</u>	<u>587,941</u>
	<u>514,835</u>	<u>708,688</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Bank loans due within 2-5 years	6,643,626	5,505,929
Other loans due after more than 5 years	<u>4,913,896</u>	<u>4,121,146</u>
	<u>11,557,522</u>	<u>9,627,075</u>

Amounts falling due in more than five years

Repayable otherwise than by instalments

Other loans due after more than 5 years	<u>4,913,896</u>	<u>4,121,146</u>
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The bank loans are interest only at 1.75 % over the Bank of England base rate and secured on the assets of Trewhiddle Village Limited. The loan principal is repayable on 30 December 2010.

11 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2010 £	2009 £
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	2010 £	2009 £
1	Ordinary	1	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the year ended 28 February 2010

12 RESERVES

	Investment Revaluation Reserve	Profit and Loss Account	Total
	£	£	£
At 1 March 2009	-	(1,505,130)	(1,505,130)
Deficit for the year	-	(682,641)	(682,641)
Investment properties revaluation	<u>(701,135)</u>	<u>-</u>	<u>203,762</u>
At 28 February 2010	<u>(701,135)</u>	<u>(2,187,771)</u>	<u>(2,888,906)</u>

13 RELATED PARTY TRANSACTIONS

D Gorton and J M Goldsmith control Trewhiddle Village Limited

At the year end, the company owed £4,913,896 to D Gorton (2009 - £4,121,146)
Interest of £67,429 (2009 - £86,936) was charged on this loan in the year, and £154,364 (2009 - £86,936) is included within accruals

At the year end, the company owed £499 (2009 - £499) to J M Goldsmith

J M Goldsmith has given a personal guarantee of £250,000 in favour of Trewhiddle Village Limited

J M Goldsmith, sole director, is also a director of and shareholder of Roseland Peninsula Homes Limited
During the year, the company was charged payroll costs of £115,954 (2009 - £199,989) and running costs of £81,867 (2009 - £108,800) by Roseland Peninsula Homes Limited Roseland Peninsula Homes Limited was also the main subcontractor for the company's building works in the year, and costs of £197,058 were incurred
At the year end, the company was owed £242,918 (2009 - £183,679) by Roseland Peninsula Homes Limited
Included in accruals are costs of £197,058 (2009 - £81,453) payable to Roseland Peninsula Homes Limited

14 ULTIMATE CONTROLLING PARTY

In the opinion of the director, D Gorton and J M Goldsmith are considered to be the ultimate controlling parties

15 GOING CONCERN

These financial statements have been prepared on a going concern basis The basis may not be appropriate as at the balance sheet date, the company had net liabilities of £2,888,905 and made a loss of £682,641 in the year

However, due to the continued support of the company's bankers and related parties, the director is confident that the company has adequate resources to trade for the foreseeable future In making this assessment, the director has considered the expected financial needs and financial performance of the company, and the plans in place to meet those needs