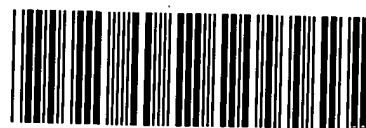


**REGISTERED NUMBER: 06362844 (England and Wales)**

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 January 2014  
for  
Pentland Homes (Holdings) Limited**

TUESDAY



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for the Year Ended 31 January 2014**

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**Pentland Homes (Holdings) Limited**

**Company Information  
for the Year Ended 31 January 2014**

**DIRECTORS:**

J N Tory  
P N Tory

**SECRETARY:**

S Coates

**REGISTERED OFFICE:**

The Estate Office  
Etchinghill  
Folkestone  
Kent  
CT18 8FA

**REGISTERED NUMBER:**

06362844 (England and Wales)

**AUDITORS:**

Pure Audit Limited  
5 Castle Street  
Canterbury  
Kent  
CT1 2FG

**Group Strategic Report  
for the Year Ended 31 January 2014**

The directors present their strategic report of the company and the group for the year ended 31 January 2014.

**REVIEW OF BUSINESS**

The directors are pleased to report an 82% increase in Turnover from £8,152,047 (2013) to £14,851,010 (2014), and a 205% increase in Operating Profits from £453,814 to £1,385,672. These improvements are attributable to selling from more sites and at a faster rate than previously.

At the end of the year, the values of fixed assets, stocks and net current assets remained broadly similar to those at the end of the previous year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks of an uncertain sales market have diminished with the aid of government incentives and loans, and with a wider availability of mortgages.

The planning process remains lengthy and slow; delaying bringing viable sites to the marketplace, but the group is in a good position, securing building land for the foreseeable future.

The emerging shortage and consequent cost increases of labour and materials are being carefully monitored and managed by the group.

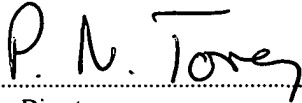
**Expected future developments and their likely effect on the performance of the group**

The group intends to continue to expand its land bank to meet future demand, and to maintain its growth in turnover. The directors have acted to increase staff numbers and facilities to make this possible, and has reinvested most of the current year's profits and sought additional funding sources to finance land purchases.

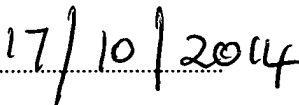
**Important events since year-end**

The group has successfully secured bank funding to assist in its increase in business.

**ON BEHALF OF THE BOARD:**



P N Tory - Director

Date: 

**Report of the Directors  
for the Year Ended 31 January 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of the development and sale of residential property.

**DIVIDENDS**

Interim dividends totalling £25.50 per share were paid during the year. The directors recommend a final dividend of £12.75 per share, making a total of £38.25 per share for the year ended 31 January 2014.

The total distribution of dividends for the year ended 31 January 2014 will be £599,191.

**RESEARCH AND DEVELOPMENT**

There were no research & development activities in the year.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 February 2013 to the date of this report.

J N Tory

P N Tory

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

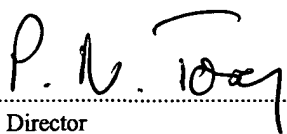
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

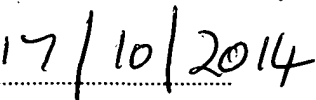
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Pure Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
P N Tory - Director

Date:   
.....

## **Report of the Independent Auditors to the Members of Pentland Homes (Holdings) Limited**

We have audited the financial statements of Pentland Homes (Holdings) Limited for the year ended 31 January 2014 on pages six to twenty one. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 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**

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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2014 and of the group's 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 Group Strategic Report and the Report of the Directors 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Alan Davidson (Senior Statutory Auditor)  
for and on behalf of Pure Audit Limited  
5 Castle Street  
Canterbury  
Kent  
CT1 2FG

Date: .....

20 October 2014

**Pentland Homes (Holdings) Limited (Registered number: 06362844)**

**Consolidated Profit and Loss Account  
for the Year Ended 31 January 2014**

	Notes	31.1.14 £	£	31.1.13 £	£
<b>TURNOVER</b>			14,851,010		8,152,047
Cost of sales			12,341,192		6,366,390
<b>GROSS PROFIT</b>			2,509,818		1,785,657
Distribution costs		501,347		328,732	
Administrative expenses		1,392,647		1,018,421	
			1,893,994		1,347,153
			615,824		438,504
Other operating income	2		769,848		15,310
<b>OPERATING PROFIT</b>	4		1,385,672		453,814
Provision for taxes on employees benefits	5		460,000		-
			925,672		453,814
Interest receivable and similar income			23,239		9,154
			948,911		462,968
Interest payable and similar charges	6		51,579		10,790
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			897,332		452,178
Tax on profit on ordinary activities	7		293,748		164,930
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>			603,584		287,248

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

**Pentland Homes (Holdings) Limited (Registered number: 06362844)**

**Consolidated Balance Sheet  
31 January 2014**

	Notes	31.1.14 £	£	31.1.13 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		253,552		102,643
Investments	11		-		-
Investment property	12		783,874		823,335
			<u>1,037,426</u>		<u>925,978</u>
<b>CURRENT ASSETS</b>					
Stocks	13	9,548,968		9,729,528	
Debtors	14	2,106,133		2,279,634	
Cash at bank		3,330,010		2,829,125	
		<u>14,985,111</u>		<u>14,838,287</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	2,295,524		1,093,537	
<b>NET CURRENT ASSETS</b>			<u>12,689,587</u>		<u>13,744,750</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,727,013		14,670,728
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		-		(1,300,000)
<b>PROVISIONS FOR LIABILITIES</b>	19		(736,343)		(384,451)
<b>NET ASSETS</b>			<u>12,990,670</u>		<u>12,986,277</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		15,664		15,664
Share premium	21		3,309,814		3,309,814
Profit and loss account	21		9,665,192		9,660,799
<b>SHAREHOLDERS' FUNDS</b>	25		<u>12,990,670</u>		<u>12,986,277</u>

The financial statements were approved by the Board of Directors on 17/10/2014 and were signed on its behalf by:

P. N. Tory  
P N Tory - Director

The notes form part of these financial statements



**Pentland Homes (Holdings) Limited (Registered number: 06362844)**

**Company Balance Sheet  
31 January 2014**

	Notes	31.1.14 £	£	31.1.13 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		-		-
Investments	11		15,664		15,664
Investment property	12		-		-
			<u>15,664</u>		<u>15,664</u>
<b>CURRENT ASSETS</b>					
Cash at bank		2,552		201,787	
<b>CREDITORS</b>					
Amounts falling due within one year	15	-		9	
<b>NET CURRENT ASSETS</b>			<u>2,552</u>		<u>201,778</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>18,216</u>		<u>217,442</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		15,664		15,664
Profit and loss account	21		<u>2,552</u>		<u>201,778</u>
<b>SHAREHOLDERS' FUNDS</b>	25		<u>18,216</u>		<u>217,442</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 Board of Directors on 17/10/2014 and were signed on its behalf by:

P. N. Tory  
P N Tory - Director

The notes form part of these financial statements

**Pentland Homes (Holdings) Limited (Registered number: 06362844)**

**Consolidated Cash Flow Statement  
for the Year Ended 31 January 2014**

	Notes	31.1.14 £	£	31.1.13 £	£
<b>Net cash inflow/(outflow) from operating activities</b>	1		1,385,761		(259,538)
<b>Returns on investments and servicing of finance</b>	2		(28,340)		(1,636)
<b>Taxation</b>			(55,833)		(295,192)
<b>Capital expenditure and financial investment</b>	2		(201,512)		(2,201,918)
<b>Equity dividends paid</b>			(599,191)		(199,730)
			<u>500,885</u>		<u>(2,958,014)</u>
<b>Financing</b>	2		-		1,300,000
<b>Increase/(decrease) in cash in the period</b>			<u>500,885</u>		<u>(1,658,014)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
Increase/(decrease) in cash in the period		500,885		(1,658,014)	
Cash outflow/(inflow) from decrease/(increase) in debt		<u>1,300,000</u>		<u>(1,300,000)</u>	
Change in net funds resulting from cash flows			<u>1,800,885</u>		<u>(2,958,014)</u>
<b>Movement in net funds in the period</b>			1,800,885		(2,958,014)
<b>Net funds at 1 February</b>			<u>1,529,125</u>		<u>4,487,139</u>
<b>Net funds at 31 January</b>			<u>3,330,010</u>		<u>1,529,125</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 January 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.1.14	31.1.13
	£	£
Operating profit	1,385,672	453,814
Depreciation charges	51,039	57,024
Profit on disposal of fixed assets	(436)	(1,784)
(Decrease)/Increase in provision	(133,787)	(99,820)
Decrease/(increase) in stocks	180,560	(670,292)
Increase in debtors	(1,087,038)	(184,519)
Increase in creditors	989,751	186,039
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,385,761</b>	<b>(259,538)</b>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.1.14	31.1.13
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	23,239	9,154
Interest paid	(51,579)	(10,790)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(28,340)</b>	<b>(1,636)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(209,562)	(59,967)
Purchase of investment property	-	(474,834)
Sale of tangible fixed assets	8,050	4,699
Loan to associated company	-	(1,671,816)
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(201,512)</b>	<b>(2,201,918)</b>
<b>Financing</b>		
New loans in year	-	1,300,000
<b>Net cash inflow from financing</b>	<b>-</b>	<b>1,300,000</b>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 January 2014**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.2.13 £	Cash flow £	At 31.1.14 £
Net cash:			
Cash at bank	2,829,125	500,885	3,330,010
	<u>2,829,125</u>	<u>500,885</u>	<u>3,330,010</u>
Debt:			
Debts falling due after one year	(1,300,000)	1,300,000	-
	<u>(1,300,000)</u>	<u>1,300,000</u>	<u>-</u>
Total	<u>1,529,125</u>	<u>1,800,885</u>	<u>3,330,010</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements  
for the Year Ended 31 January 2014

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

The group owns 43.4% share of the investment property in Canada, the remainder is owned by J N Tory, a director of the company. Investment property included in the balance sheet represents the group's share of the property.

**Deferred tax**

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

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**Work in progress**

The attributable profit of developments is recognised on a plot by plot basis, with each plot being recognised when legal title passes to the buyer.

Costs associated with the developments are included in the work in progress to the extent that they cannot be matched with plot sales accounted for as turnover. Development balances included in work in progress are stated at cost, after provision for any foreseeable losses.

Full provision is made for losses on all developments in the year in which the loss is first foreseen.

2. OTHER OPERATING INCOME

	31.1.14	31.1.13
	£	£
Rents received	6,947	3,340
Other income	96,141	11,970
Other operating income	666,760	-
	<u>769,848</u>	<u>15,310</u>

Other operating income includes an amount of £666,760 representing a 50% share of profit received from Explore Investments Limited relating to sale of Ashford Site B property pursuant to the Collaboration Agreement between Pentland Homes Limited and Explore Investments Limited dated 23rd March 2010.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014

3. STAFF COSTS

	31.1.14	31.1.13
	£	£
Wages and salaries	1,119,691	862,953
Social security costs	131,377	115,259
	<u>1,251,068</u>	<u>978,212</u>

The average monthly number of employees during the year was as follows:

	31.1.14	31.1.13
Production staff	7	4
Administrative staff	4	4
Management staff	5	5
	<u>16</u>	<u>13</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.1.14	31.1.13
	£	£
Depreciation - owned assets	51,039	36,814
Profit on disposal of fixed assets	(436)	(1,784)
Auditors' remuneration	4,200	4,120
	<u>430,552</u>	<u>418,430</u>

Information regarding the highest paid director is as follows:

	31.1.14	31.1.13
	£	£
Emoluments etc	<u>95,079</u>	<u>75,000</u>

5. EXCEPTIONAL ITEMS

The group has made a provision of £460,000 representing estimated PAYE/NI liability payable to HMRC on settlement of EBT. The group set up the EBTscheme in 2007.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.1.14	31.1.13
	£	£
Bank loan interest	<u>51,579</u>	<u>10,790</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014

7. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.1.14 £	31.1.13 £
Current tax:		
UK corporation tax	268,069	164,930
Deferred tax	25,679	-
Tax on profit on ordinary activities	<u>293,748</u>	<u>164,930</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.1.14 £	31.1.13 £
Profit on ordinary activities before tax	<u>897,332</u>	<u>452,178</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.161% (2013 - 24.328%)	207,831	110,006
Effects of:		
Expenses not deductible for tax purposes	127,603	170
Capital allowances in excess of depreciation	(18,196)	-
Depreciation in excess of capital allowances	-	6,659
Utilisation of tax losses	-	(4)
Adjustments to tax charge in respect of previous periods	<u>(49,169)</u>	<u>48,099</u>
Current tax charge	<u>268,069</u>	<u>164,930</u>

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £399,965 (2013 - £400,046).

9. DIVIDENDS

	31.1.14 £	31.1.13 £
Final	199,730	399,730
Interim	399,461	(200,000)
	<u>599,191</u>	<u>199,730</u>

The total distribution of dividends for the year ended 31 January 2014 was £599,191 (2013: £199,730).

**Pentland Homes (Holdings) Limited (Registered number: 06362844)**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014**

**10. TANGIBLE FIXED ASSETS**

**Group**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 February 2013	199,500	57,003	131,526	388,029
Additions	133,764	14,278	61,520	209,562
Disposals	-	-	(30,500)	(30,500)
At 31 January 2014	333,264	71,281	162,546	567,091
<b>DEPRECIATION</b>				
At 1 February 2013	182,454	44,469	58,463	285,386
Charge for year	17,547	6,551	26,941	51,039
Eliminated on disposal	-	-	(22,886)	(22,886)
At 31 January 2014	200,001	51,020	62,518	313,539
<b>NET BOOK VALUE</b>				
At 31 January 2014	133,263	20,261	100,028	253,552
At 31 January 2013	17,046	12,534	73,063	102,643

**11. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 February 2013 and 31 January 2014	15,664
<b>NET BOOK VALUE</b>	
At 31 January 2014	15,664
At 31 January 2013	15,664

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

**Subsidiary**

**Pentland Homes Limited**

Nature of business: Development and sale of residential properties.

	% holding	31.1.14 £	31.1.13 £
Class of shares:			
Ordinary shares	100.00		
Aggregate capital and reserves		12,988,118	12,784,500
Profit for the year		603,618	287,203



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014

11. FIXED ASSET INVESTMENTS - continued

12. INVESTMENT PROPERTY

Group

	Total £
<b>COST</b>	
At 1 February 2013	823,335
Impairments	(39,461)
At 31 January 2014	<u>783,874</u>
<b>NET BOOK VALUE</b>	
At 31 January 2014	<u>783,874</u>
At 31 January 2013	<u>823,335</u>

13. STOCKS

	Group	
	31.1.14	31.1.13
	£	£
Work-in-progress	9,439,272	8,905,683
Finished goods	109,696	823,845
	<u>9,548,968</u>	<u>9,729,528</u>

14. DEBTORS

	Group	
	31.1.14	31.1.13
	£	£
Amounts falling due within one year:		
Trade debtors	1,079,251	150,491
Amounts owed by participating interests	221,850	1,671,817
Amounts recoverable on contract	400,173	281,821
Other debtors	194,082	110,000
VAT	94,626	13,043
Prepayments and accrued income	49,332	52,462
	<u>2,039,314</u>	<u>2,279,634</u>
Amounts falling due after more than one year:		
Amounts recoverable on contract	<u>66,819</u>	<u>-</u>
Aggregate amounts	<u>2,106,133</u>	<u>2,279,634</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.1.14	31.1.13	31.1.14	31.1.13
	£	£	£	£
Trade creditors	1,139,040	445,152	-	(1)
Tax	228,068	15,832	-	10
Social security and other taxes	47,849	38,715	-	-
Other creditors	558,617	523,575	-	-
Accruals and deferred income	321,950	70,263	-	-
	<u>2,295,524</u>	<u>1,093,537</u>	<u>-</u>	<u>9</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.1.14	31.1.13
	£	£
Bank loans (see note 17)	<u>-</u>	<u>1,300,000</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.1.14	31.1.13
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>1,300,000</u>

18. SECURED DEBTS

The bank has second legal charge over portions of land owned by the group.

A C Hulme & Sons and D A Phillips & Co Limited have registered a legal charge on 29th February 2012 on freehold property at Shalmsford Farm, Chartham, Kent for securing all monies due or to become due to A C Hulme & Sons and D A Phillips & Co Limited under the terms of the contract for the sale of land at Shalmsford Street.

The group is liable to pay 25% of the excess above £8 million received by the group from the sales of the new dwellings that it is to build on the property and 25% of the excess above £1 million received by the group from the sales of the new dwellings that it is to create by converting the Oast House on the property.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014

19. PROVISIONS FOR LIABILITIES

	Group	
	31.1.14	31.1.13
	£	£
Deferred tax	25,679	-
Other provisions		
Other provisions	250,664	384,451
Provision for taxes on employees benefits	460,000	-
	710,664	384,451
Aggregate amounts	736,343	384,451
Group		
		Deferred tax
		£
Provided during year		25,679
Balance at 31 January 2014		25,679

Other provisions include a specific provision of £182,962 (2013 - £359,678) set up by the group in previous years for potential compensation claims that may become payable. Detailed disclosure of this possible compensation claim is considered to be too prejudicial to the group to be included in the financial statements.

Other provisions also include a sum of £460,000 representing estimated PAYE/NI liability payable to HMRC on settlement of EBT. The group set up the EBT in 2007.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.1.14	31.1.13
Number:	Class:	Nominal value:	£	£
15,664	Ordinary shares	£1	15,664	15,664

21. RESERVES

Group	Profit and loss account £	Share premium £	Totals £
At 1 February 2013	9,660,799	3,309,814	12,970,613
Profit for the year	603,584		603,584
Dividends	(599,191)		(599,191)
At 31 January 2014	9,665,192	3,309,814	12,975,006

**Pentland Homes (Holdings) Limited (Registered number: 06362844)**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014**

**21. RESERVES - continued**

**Company**

	Profit and loss account £
At 1 February 2013	201,778
Profit for the year	399,965
Dividends	<u>(599,191)</u>
At 31 January 2014	<u><u>2,552</u></u>

**22. CAPITAL COMMITMENTS**

	31.1.14 £	31.1.13 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>400,000</u>

**23. RELATED PARTY DISCLOSURES**

During the year, total dividends of £531,986 (2013 - £184,340) were paid to the directors.

Pentland Homes (Holdings) Ltd, a parent company of Pentland Homes Ltd, is controlled by P N Tory and J N Tory. During the year following transactions occurred. All were conducted at arm's length and in the normal course of business.

1) P N Tory and J N Tory are both directors of Pentland Homes Limited and also partners in an unincorporated business known as Pentland Golf. During the year Pentland Homes Limited incurred costs of £21,807 (2013: £81,062) which were recharged to Pentland Golf.

At the year end Pentland Golf owed £22,723 (2013: £90,361) to the Pentland Homes Limited.

2) P N Tory and J N Tory are both directors and shareholders of Pentland Properties Limited and also directors of Pentland Homes Limited. During the year Pentland Properties Limited was recharged costs of £1,110,890 (2013: £2,098,351). At the year end, Pentland Properties Ltd owed £221,850 (2013: £1,671,817) to Pentland Homes Limited.

3) S A Tory is daughter of P N Tory, the company owed £304,989 to her at the year end.

4) The group owns 43.4% share of the investment property in Canada, the remainder is owned by J N Tory. Investment property included in the balance sheet represents the group's share of the property.

**24. ULTIMATE CONTROLLING PARTY**

The company is under the control of its directors who own majority of the issued share capital.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 January 2014

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

**Group**

	31.1.14	31.1.13
	£	£
Profit for the financial year	603,584	287,248
Dividends	(599,191)	(199,730)
<b>Net addition to shareholders' funds</b>	<b>4,393</b>	<b>87,518</b>
Opening shareholders' funds	12,986,277	12,898,759
<b>Closing shareholders' funds</b>	<b>12,990,670</b>	<b>12,986,277</b>

**Company**

	31.1.14	31.1.13
	£	£
Profit for the financial year	399,965	400,046
Dividends	(599,191)	(199,730)
Issued share capital		
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(199,226)</b>	<b>200,316</b>
Opening shareholders' funds	217,442	17,126
<b>Closing shareholders' funds</b>	<b>18,216</b>	<b>217,442</b>

26. CONTINGENCIES

At the balance sheet date, guarantees totalling £364,737 (2013: £629,475) in favour of Kent County Council and National Westminster Bank Plc in connection with infrastructure works were outstanding. The directors have included a provision of £182,962 (2013: £359,678) in the financial statements. No provision has been made in respect of the remaining guarantees as the directors are confident that the company can meet the requirements of the bond.