

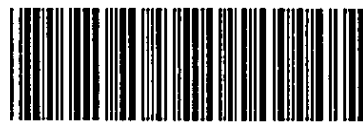
SFH 123 Limited

**Directors' report and consolidated
financial statements**

Registered number 06537663

For the year ended 31 March 2013

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Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2013

Principal activities

The principal activity of the company is that of a holding company

The group did not trade during the year

Business review and future developments

In the prior period, the group completed a debt finance restructuring whereby the group's 100% interest in the share capital of DTB Holdings Limited was disposed in consideration for the assumption and novation of £11,050,000 of term loan debt and the capitalisation of a further £73 million of amounts due to creditors

The group has not traded during the year and the directors do not intend to acquire a further trade. As such, the directors have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1

Dividends

No dividends were paid during the year (2012 £Nil). The directors do not recommend the payment of a final dividend (2012 £Nil).

Directors

The directors serving during the year and to the date of this report were as follows

C J Thomas
R Baker
M Draper (resigned 28 September 2012)
C Hurley
G R Marsh (resigned 31 March 2013)
M Pickersgill (resigned 31 December 2012)
A W Saul (resigned 31 December 2013)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the group's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

Approved by the board of directors on 14 February 2014 and signed on its behalf by


M J Vitty
Secretary

Northgate
Aldridge
Walsall
West Midlands
WS9 8TU

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 group and parent company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of SFH 123 Limited

We have audited the financial statements of SFH 123 Limited for the year ended 31 March 2013 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 2, 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

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2013 and of the group's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are not prepared on the going concern basis for the reason set out in that note.

Independent auditor's report to the members of SFH 123 Limited *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period 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

Wayne Cox

Wayne Cox (Senior Statutory Auditor)
for and on behalf of KPMG LLP Statutory Auditor
Chartered Accountants

28 February 2014

Consolidated profit and loss account
for the year ended 31 March 2013

	<i>Note</i>	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Turnover	<i>1</i>	-	229,804
Cost of sales		-	(220,960)
		<hr/>	<hr/>
Gross profit		-	8,844
Administrative expenses		-	(8,173)
		<hr/>	<hr/>
Operating profit	<i>2</i>	-	671
Loss on sale of subsidiary undertakings		-	(11,853)
Interest receivable and similar income	<i>5</i>	-	60
Interest payable and similar charges	<i>6</i>	(1,403)	(15,852)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(1,403)	(26,974)
Taxation	<i>7</i>	-	21
		<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial year	<i>13</i>	(1,403)	(26,953)
		<hr/>	<hr/>

All the group's activities are derived from discontinued operations

The group has no recognised gains or losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented

Consolidated balance sheet
at 31 March 2013

	<i>Note</i>	2013 £000	2012 £000
Current assets			
Debtors	9	53	53
Cash at bank and in hand		-	-
		<hr/>	<hr/>
Net current assets		53	53
		<hr/>	<hr/>
Total assets less current liabilities		53	53
		<hr/>	<hr/>
Creditors Amounts falling due after more than one year	10	(28,574)	(27,171)
		<hr/>	<hr/>
Net liabilities		(28,521)	(27,118)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	230	230
Share premium account	12	413	413
Capital reserve	12	77	77
Profit and loss account	13	(29,241)	(27,838)
		<hr/>	<hr/>
Equity shareholders' deficit	14	(28,521)	(27,118)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 14 February 2014 and were signed on its behalf by



C J Thomas
Director

Company balance sheet
at 31 March 2013

	<i>Note</i>	2013 £000	£000	2012 £000	£000
Fixed assets					
Investments	8		-		-
Current assets					
Debtors	9	53		53	
Net current assets			53		53
Total assets less current liabilities			53		53
Creditors: Amounts falling due after more than one year	10		-		-
Net assets			53		53
Capital and reserves					
Called up share capital	11		230		230
Share premium account	12		413		413
Capital reserve	12		77		77
Profit and loss account	13		(667)		(667)
Equity shareholders' funds	14		53		53

These financial statements were approved by the board of directors on 14 February 2014 and were signed on its behalf by



C J Thomas
Director

Company number 06537663

Consolidated cash flow statement
for the year ended 31 March 2013

	<i>Note</i>	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Net cash inflow from operating activities	<i>15</i>	-	512
Returns on investment and servicing of finance			
Interest received		-	60
Interest paid and similar charges		-	(6,504)
Net cash outflow from returns on investment and servicing of finance		-	(6,444)
Taxation paid			
UK corporation tax		-	(864)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		-	(400)
Acquisition and disposals			
Net cash balance disposed of with subsidiary undertaking		-	(4,812)
Cash outflow before financing		-	(12,008)
Financing			
Increase in short term borrowings		-	6,475
Capital repayments on loans		-	(4,169)
Issue of shares at premium		-	153
Decrease in cash	<i>16,17</i>	-	(9,549)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been presented.

The financial statements have been prepared on a basis other than as a going concern.

Given the group has net liabilities of £28,521,000 (2012 £27,118,000) and no source of future income, the directors have not prepared the financial statements on a going concern basis. Assets and liabilities have been measured on a basis which is equivalent to their net realisable value. In this case, no adjustments are necessary to the amounts at which the remaining net liabilities are included in these financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all its subsidiary undertakings at 31 March 2013 using the acquisition accounting basis. The results of subsidiary undertakings acquired or disposed of during a financial period are included from, or up to, the effective date of acquisition or disposal.

Turnover

Turnover represents sales, excluding value added tax, for work completed and labour and materials supplied during the year and the value of work executed during the year on long term contracts. In the case of long term contracts, turnover represents the sales value of work done during the year, including estimates in respect of amounts not invoiced. All turnover relates to trade conducted in the UK.

Investments

Investments in subsidiaries and participating interests are stated at cost less provision for impairment where necessary to reduce book value to recoverable amount. Other investments are stated at cost less any provision for permanent diminution in value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Own shares held by Employee benefit trust

Transactions of the Company-sponsored employee benefit trust are treated as being those of the Company and are therefore reflected in the parent company and group financial statements. In particular, the trust's purchases of shares in the Company are debited directly to equity.

Notes (continued)

2 Operating profit

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
<i>Operating profit is stated after charging</i>		
Depreciation	-	64
Hire of plant and machinery	-	4 315
Operating lease rental		
Plant and machinery	-	464
Other	-	226
Restructuring costs	-	1,241
	<u> </u>	<u> </u>
<i>Auditor's remuneration</i>		
Audit of these financial statements	-	6
Audit of financial statements of subsidiaries pursuant to legislation	-	48
Other services relating to taxation	-	31
Other services	-	5
	<u> </u>	<u> </u>

The audit fees of the group were borne by Bullock Construction Limited, a related company

3 Remuneration of directors

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Emoluments	-	1,366
Group contributions to group defined contribution pension scheme	-	77
Compensation for loss of office	-	12
	<u> </u>	<u> </u>
	-	1,455
	<u> </u>	<u> </u>

During the year, no directors were members of the group defined contribution pension scheme (2012 seven directors)

Highest paid director

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Emoluments	-	508
Group contributions to group defined contribution pension scheme	-	33
	<u> </u>	<u> </u>
	-	541
	<u> </u>	<u> </u>

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year was as follows

	Number of employees	
	Year ended	Period ended
	31 March	31 March
	2013	2012
Administration	6	43
Production	-	561
Sales	-	10
	<u>6</u>	<u>614</u>

The aggregate payroll costs of these persons were as follows

	£000	£000
Wages and salaries	-	27,304
Social security costs	-	2,835
Other pension costs	-	840
	<u>-</u>	<u>30,979</u>

5 Interest receivable and similar income

	Year ended	Period ended
	31 March	31 March
	2013	2012
	£000	£000
Bank interest receivable	-	60

6 Interest payable and similar charges

	Year ended	Period ended
	31 March	31 March
	2013	2012
	£000	£000
Bank monitoring fees and similar charges	-	235
Loan interest		
Bank loans	-	4,762
Loan notes	1,403	8,629
Finance cost amortisation	-	2,225
Other interest	-	1
	<u>1,403</u>	<u>15,852</u>

Notes (continued)

7 Taxation

Analysis of charge in year

	Year ended 31 March 2013 £000	£000	Period ended 31 March 2012 £000	£000
<i>UK corporation tax</i>				
Current tax on income for the year	-		-	
Adjustment in respect of prior years	-		(1)	
	<hr/>		<hr/>	
Total current tax		-		(1)
<i>Deferred tax (see note 15)</i>				
Origination/(reversal) of timing differences	-		(10)	
Effects of law changes	-		3	
Adjustment in respect of prior years	-		(13)	
	<hr/>		<hr/>	
Total deferred tax		-		(20)
		<hr/>		<hr/>
Tax on loss on ordinary activities		-		(21)
		<hr/>		<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2012 higher) than the standard rate of corporation tax in the UK of 24% (2012 26.67%). The differences are explained below

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(1,403)	(26,974)
	<hr/>	<hr/>
Current tax at 24% (2012 26.67%)	(337)	(7,194)
<i>Effects of</i>		
Transfer pricing adjustment	-	1,277
Depreciation on ineligible	-	1
Non-deductible expenditure	-	3,524
Accelerated capital allowances	-	17
Other short term timing differences	-	(237)
Tax losses carried forward	337	2,612
Adjustments in respect of prior year	-	(1)
	<hr/>	<hr/>
Total current tax charge (see above)	-	(1)
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes (continued)

8 Investments

Company

	Subsidiary undertaking £000
<i>Cost</i>	
At beginning and end of year	469
<i>Provision for impairment</i>	
At beginning and end of year	469
<i>Net book value</i>	
At 31 March 2013	-
At 31 March 2012	-

In the prior year, the company agreed the capitalisation of £469,124 of 2016 10% unsecured loan notes including all accrued interest in exchange for the issue of two A ordinary shares of £1 each. The recoverability of this investment has been provided against.

Group undertakings

Shares in group undertakings, which are held directly by the company, comprise the following

	Interest in ordinary shares and voting rights	Country of incorporation	Principal activity
SFB 123 Limited	100%	England and Wales	Dormant
Spitfire Trustee Limited	100%	England and Wales	Trustee to EBT

9 Debtors

	2013 Group £000	Company £000	2012 Group £000	Company £000
Other debtors	53	53	53	53

Other debtors includes an unsecured, interest-free loan to a director amounting to £40,000

Notes (continued)

10 Creditors: Amounts falling due after more than one year

	2013 Group £000	Company £000	2012 Group £000	Company £000
Term loan	500	-	500	-
2016 10% unsecured loan notes (see below)	14,923	-	13,520	-
2016 0% unsecured loan notes (see below)	13,151	-	13,151	-
	<u>28,574</u>	<u>-</u>	<u>27,171</u>	<u>-</u>

The £500,000 term loan is non-interest bearing and is repayable on 31 March 2016. The term loan is secured by a fixed and floating charge over the group's assets.

The £13,150,882 'A' 2016 unsecured loan notes are also non-interest bearing.

The 10% unsecured loan notes including any interest accrued and outstanding mature on 3 April 2016.

11 Share capital

Group and company

	2013 £000	2012 £000
<i>Allotted and fully paid:</i>		
122,639 "A" ordinary shares of £1 each	123	123
285,000 "B" ordinary shares of £0.001 each	-	-
46,267,517 "C" ordinary shares of £0.001 each	-	-
77,361 "B" ordinary shares of £0.01 each	1	1
31,276 "C" ordinary shares of £1 each	31	31
38,548 "D" ordinary shares of £1 each	39	39
27,400 "E" ordinary shares of £1 each	27	27
9,050 "F" ordinary shares of £1 each	9	9
	<u>230</u>	<u>230</u>

12 Share premium and other reserves

Group and Company

	Share premium £000	Capital reserve £000
At the beginning of the year	413	77
Transfer of shares	-	-
	<u>413</u>	<u>77</u>

The company sponsors an Employee Benefit Trust in which it holds the shares required to settle awards granted under equity-settled share based payment plans. The Trust has acquired the shares required to settle the awards from the market at the date of the grant.

Notes *(continued)*

13 Profit and loss account

	Group £000	Company £000
At beginning of year	(27,838)	(667)
Loss for the year	(1,403)	-
At end of year	(29,241)	(667)

14 Equity shareholders' (deficit)/funds

	2013 Group £000	Company £000	2012 Group £000	Company £000
Opening shareholders (deficit)/funds	(27,118)	53	(318)	487
Issue of shares at premium	-	-	162	162
Purchase of own shares	-	-	(9)	(9)
Loss for the year	(1,403)	-	(26,953)	(587)
Closing shareholders (deficit)/funds	(28,521)	53	(27,118)	53

15 Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Operating profit	-	671
Depreciation	-	64
Decrease in debtors	-	1,455
Decrease in creditors	-	(1,678)
	-	512

16 Reconciliation of net cash flow to movement in net debt

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Decrease in cash in the year	-	(9,549)
Cash inflow from increase in short term borrowings	-	(6,475)
Cash outflow from decrease in debt financing	-	4,169
Accrued loan interest capitalised	(1,403)	(7,123)
Debt novated and capitalised on restructuring	-	83,279
Movement in net debt in the year	(1,403)	64,301
Net debt at beginning of year	(27,171)	(91,472)
Net debt at end of year	(28,574)	(27,171)

Notes (continued)

17 Analysis of net debt

	At beginning of year £000	Cash flow £000	Other non- cash changes £000	At end of year £000
Cash at bank and in hand	-	-	-	-
Debt due After one year	(27,171)	-	(1,403)	(28,574)
	<u>(27,171)</u>	<u>-</u>	<u>(1,403)</u>	<u>(28,574)</u>

18 Guarantees and other financial commitments

Under the terms of the company's financing agreements, security has been granted over the company's assets to the group's bankers

19 Related party transactions

The Group has issued loan notes to certain directors. On 29 March 2012, all unpaid interest on these loan notes was waived and the principal amount outstanding capitalised in exchange for B ordinary shares of £0.01 each in SFH 123 Limited. The amount outstanding at the balance sheet date and interest accrued/(waived) on these notes is as follows:

	2013 Amount outstanding £	Interest accrued £	2012 Amount outstanding £	Interest accrued £
CJ Thomas	-	-	-	(273,741)
GR Marsh	-	-	-	(47,141)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(320,882)</u>

20 Controlling party

The company is owned by its investors whereby no single investor has either a controlling interest in the share capital of the company or of voting rights. As such, the directors do not consider there to be an ultimate controlling party.