

# **Land and City Properties (Bollington) Limited**

## **Directors' Report and Financial Statements**

31 December 2009

Registered Number SC213825

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## **Directors' Report**

The directors have pleasure in presenting their report and audited financial statements for the year to 31 December 2009.

### **Principal activity**

The principal activity of the company is that of residential property development.

### **Results and dividends**

The result for the year is set out in the profit and loss account. The directors are unable to recommend the payment of a dividend.

### **Directors**

The directors of the company during the year were:

Rupert A Beckwith-Moore  
Susan Warwick  
Ewan T Anderson

### **Disclosure of information to auditors**

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 company's auditors are unaware; and each director has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



**Pamela J Smyth**  
Secretary

21 July 2010

## **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 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 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 judgements 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 company will continue in business.

The directors are 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 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 company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

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20 Castle Terrace  
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United Kingdom

## **Independent auditors' report to the members of Land and City Properties (Bollington) Limited**

We have audited the financial statements of Land and City Properties (Bollington) Limited for the year ended 31 December 2009 set out on pages 4 to 9. 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 auditors**

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 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its 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.

### **Opinion on other matter 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**

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**M Ross (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 October 2010

## Profit and Loss Account

For the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	1	-	-
Cost of sales		(206,625)	(95,870)
<b>Gross loss</b>		<b>(206,625)</b>	<b>(95,870)</b>
Administrative expenses		-	-
<b>Operating loss</b>	3	<b>(206,625)</b>	<b>(95,870)</b>
Interest payable	4	-	(15,254)
<b>Loss on ordinary activities before taxation</b>		<b>(206,625)</b>	<b>(111,124)</b>
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>	10	<b>(206,625)</b>	<b>(111,124)</b>

There are no recognised gains or losses other than those disclosed above.

## Balance Sheet

As at 31 December 2009

	Note	2009 £	2008 £
<b>Current assets</b>			
Stocks and work in progress	6	1,386,132	1,386,132
Debtors	7	1,098	1,098
Cash at bank		1,917	545
		<u>1,389,147</u>	<u>1,387,775</u>
<b>Creditors: amounts falling due within one year</b>	8	<b>(3,083,296)</b>	<b>(2,875,299)</b>
		<u>(1,694,149)</u>	<u>(1,487,524)</u>
<b>Net liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	9	1,000	1,000
Profit and loss account	10	(1,695,149)	(1,488,524)
		<u>(1,694,149)</u>	<u>(1,487,524)</u>
<b>Shareholders' deficit</b>	11	<b>(1,694,149)</b>	<b>(1,487,524)</b>

These financial statements were approved by the board of directors on 21 July 2010 and were signed on its behalf by:



**Ewan T Anderson**  
 Director

## 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 company's financial statements.

#### ***Basis of accounting***

The financial statements are prepared under the historical cost basis and in accordance with applicable Accounting Standards.

The financial statements have been prepared on the going concern basis, notwithstanding the loss of £206,625 incurred for the financial year and net liabilities of £1,694,149 at the financial year end, which the directors believe to be appropriate for the following reasons.

Following the sale of the majority of properties in the development being undertaken by the company, certain construction issues have emerged which will require extensive remedial work to rectify. The company has provided for the estimated cost of undertaking the necessary remedial works. However the company believes that responsibility for the issues identified lies with the contractor who undertook construction of the development and intends to vigorously pursue the contractor to recover the cost of the remedial works.

In the meantime the day to day working capital requirements of the company are funded via a loan from Miller Homes Limited, a fellow subsidiary of Miller Residential Development Services Limited. Miller Homes Limited has indicated to the directors of the company that it will continue to make available to the company such funds as are necessary to enable it to continue to trade and to meet its liabilities as they fall due. In addition Miller Homes Limited will not seek repayment of the amounts currently made available. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based upon the undertaking of financial support outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

#### ***Taxation***

The charge for taxation is based on the profit 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 taxation 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.

#### ***Turnover***

Turnover represents the invoiced value of sales and other services provided to third parties during the period, exclusive of value added tax.

#### ***Development work in progress***

Development work in progress has been valued at cost plus attributable overheads or net realisable value if lower.



## Notes (continued)

### 2. Staff numbers and costs

The company has no employees and no emoluments were paid to the directors of the company during the year.

### 3. Auditors' remuneration

	2009 £	2008 £
Auditors' remuneration – audit fee	370	375

### 4. Interest payable

	2009 £	2008 £
Bank interest payable	-	15,254

### 5. Tax on loss on ordinary activities

Analysis of charge in the year

	2009 £	2008 £
<b>UK corporation tax</b>		
Current tax on loss for the year	-	-
Tax on loss on ordinary activities	-	-

#### Factors affecting tax charge for year

The current tax credit for the year is lower than (2008: lower than) the standard rate of corporation tax in the UK of 28% (2008: 28.5%). The differences are explained below:

	2009 £	2008 £
<b>Current tax reconciliation</b>		
Loss on ordinary activities before tax	(206,625)	(111,124)
Current tax at 28% (2008: 28.5%)	(57,855)	(31,670)
<i>Effects of:</i>		
Current year losses for which no deferred tax has been provided	57,855	31,670
Total current tax charge (see above)	-	-

The company has tax losses carried forward of £1,522,589 for which no deferred tax asset has been recognised because it is not possible to confirm with reasonable assurance that sufficient future taxable profit will be available against which the company can utilise the tax losses.

**Notes** (continued)

**6. Stocks and work in progress**

	2009 £	2008 £
Work in progress	1,386,132	1,386,132
	<u>1,386,132</u>	<u>1,386,132</u>

**7. Debtors**

	2009 £	2008 £
Amounts owed by parent undertakings	1,000	1,000
Other debtors	98	98
	<u>1,098</u>	<u>1,098</u>
	<u>1,098</u>	<u>1,098</u>

**8. Creditors: amounts falling due within one year**

	2009 £	2008 £
Amounts owed to parent undertakings	512,183	428,830
Amounts owed to related undertakings	1,429,743	1,429,743
Accruals and deferred income	1,141,370	1,016,726
	<u>3,083,296</u>	<u>2,875,299</u>
	<u>3,083,296</u>	<u>2,875,299</u>

**9. Called up share capital**

	2009 £	2008 £
<i>Authorised, allotted and fully paid</i>		
500 Ordinary 'A' shares of £1 each	500	500
500 Ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>

Both "A" and "B" shares have the same voting rights and rank *pari passu* as set out in the Memorandum and Articles of Association of the company.

## Notes (continued)

### 10. Profit and loss account

	2009 £	2008 £
At beginning of year	(1,488,524)	(1,377,400)
Loss for the year	(206,625)	(111,124)
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At end of year	(1,695,149)	(1,488,524)
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### 11. Reconciliation of movements in shareholders' deficit

	2009 £	2008 £
Shareholders' deficit at beginning of year	(1,487,524)	(1,376,400)
Loss for the year	(206,625)	(111,124)
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Shareholders' deficit at end of year	(1,694,149)	(1,487,524)
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### 12. Related party disclosures

The company is controlled jointly by Miller Residential Development Services Limited and Clarence Mill Limited.

Where amounts payable to shareholders are not at market value, the shareholders reimburse/ receive payment from the company for an amount equivalent to the corporation tax payable/ receivable in respect of the difference.

During the year, £83,353 of expenses were paid by Miller Residential Development Services Limited on behalf of the company. At the year end £512,183 (2008: £428,830) and £1,429,743 (2008: £1,429,743) owed to Miller Residential Development Services Limited and Miller Homes Limited respectively.