

**SUNLEY FAMILY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**Registered Number: 2168750**



**SUNLEY FAMILY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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## **SUNLEY FAMILY LIMITED**

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and the group financial statements for the year ended 31 December 2011

#### **PRINCIPAL GROUP ACTIVITIES**

The principal activities of the companies in the Sunley Family Group involve portfolio share investments, commercial and residential property investment and development, including mezzanine and private equity finance

#### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 4. The directors declared seven (2010: one) interim dividends during the year, totalling £1,628,557 (2010: £799,547). The details of the dividends can be found in note 8. The directors recommend that no final dividend be paid.

#### **Principal Risks**

The principal external risks facing the group at present are seen as

- (i) a significant rise in the levels of interest rates,
- (ii) a deterioration in the economic environment, and
- (iii) difficulties in securing new opportunities

#### **Going Concern**

The Directors believe there are adequate resources within the group to continue operating at similar or increased levels for the foreseeable future.

#### **FUTURE DEVELOPMENTS**

The companies in the Sunley Family Group intend to continue their principal activities as set out above.

#### **FINANCIAL INSTRUMENTS**

The Group's principal financial instruments comprise bank balances, bank overdraft facilities and loans and intercompany balances together with other creditors. The main purpose of these instruments is to finance the group's operations.

The nature of the financial instruments used by the group is such that their market value does not fluctuate as a result of changes in market prices. The interest rate on the bank overdraft facility is variable and the use of this facility is seen as a last resort whilst internal funding is available. Relationships with external funders are good, and should specific project funding be required the Directors consider this would be made available. Other creditors are managed by ensuring sufficient funds are available to meet amounts due.

#### **DIRECTORS**

The directors of the company throughout the year were

James B. Sunley	
Richard J. S. Tice	
Francis McKay (Chairman)	(Appointed 7 July 2011)
John B. Sunley	(Deceased 14 February 2011)

## **SUNLEY FAMILY LIMITED**

### **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the Directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice. So far as each of the Directors is aware at the time the report is approved

- (i) there is no relevant audit information of which the company's auditors are unaware, and
- (ii) the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The company's auditors haysmacintyre have expressed a willingness to continue in office and a resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S485 of the Companies Act 2006.

ON BEHALF OF THE BOARD ON 11 APRIL 2012



**FRANCIS MCKAY**  
Director

Registered Office  
20 Berkeley Square  
London W1J 6LH

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUNLEY FAMILY LIMITED**

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We have audited the financial statements of Sunley Family Limited for the year ended 31 December 2011 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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 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 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 the parent company's affairs as at 31 December 2011 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.

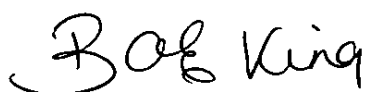
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' 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 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.



**Bernadette King (Senior statutory auditor)  
for and on behalf of haysmacintyre, Statutory Auditor**

11 APRIL 2012

**Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY**

**SUNLEY FAMILY LIMITED****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2011**

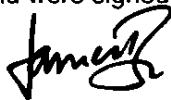
	Notes	2011 £'000	2010 £'000
<b>Turnover:</b> Group and share of joint venture		10,465	13,739
Less share of turnover of joint venture		(11)	(10)
	1	<u>10,454</u>	<u>13,729</u>
Cost of sales		(8,181)	(10,305)
<b>Gross profit</b>		<u>2,273</u>	<u>3,424</u>
Administrative expenses		(644)	(1,712)
<b>Group operating profit</b>	2	<u>1,629</u>	<u>1,712</u>
Share of operating profit/(loss) in joint venture	12(b)	(42)	(49)
		<u>1,587</u>	<u>1,663</u>
Net interest receivable	3	<u>185</u>	<u>33</u>
<b>Profit on ordinary activities before taxation</b>		<u>1,772</u>	<u>1,696</u>
Taxation on profit on ordinary activities	7	-	(1)
<b>Profit for the financial year after taxation</b>		<u>1,772</u>	<u>1,695</u>
Minority Interest		(43)	-
<b>Profit for the financial year</b>		<u><u>1,729</u></u>	<u><u>1,695</u></u>

Turnover and operating profit are derived wholly from continuing operations

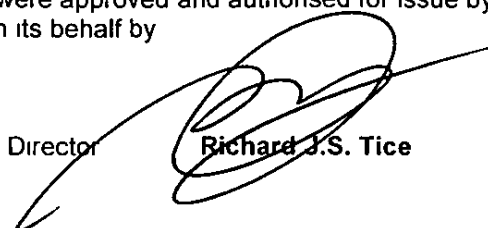
**SUNLEY FAMILY LIMITED**
**Company Number: 2168750**
**GROUP BALANCE SHEET**
**AS AT 31 DECEMBER 2011**

	Notes	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Intangible fixed assets	10	1,943	-
Tangible assets	11	4,796	4,304
Investments	12	5,275	8,150
Investments in joint ventures	12(b)		
Share of gross assets		1,951	6,036
Share of gross liabilities		(1,953)	(6,181)
		(2)	(145)
		<u>12,012</u>	<u>12,309</u>
<b>Current assets</b>			
Stocks and work in progress	13	19,927	4,193
Debtors	14	5,045	4,361
Cash at bank and in hand		7,935	8,704
		<u>32,907</u>	<u>17,258</u>
<b>Creditors: amounts falling due within one year</b>	15	(17,915)	(3,668)
<b>Net current assets</b>		<u>14,992</u>	<u>13,590</u>
<b>Creditors: amounts falling due after one year</b>	16	(390)	-
<b>Net assets</b>		<u><u>26,614</u></u>	<u><u>25,899</u></u>
<b>Capital and reserves</b>			
Equity called up share capital	17	41	41
Share premium account	18	11,266	11,266
Capital maintenance reserve	18	325	325
Other reserve		16,661	16,661
Profit and loss account	18	(2,294)	(2,394)
<b>Shareholders funds</b>	19	<u>25,999</u>	<u>25,899</u>
<b>Attributable to minority interests</b>		<u>615</u>	<u>-</u>
<b>Total capital employed</b>		<u><u>26,614</u></u>	<u><u>25,899</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 11 APRIL 2012 and were signed below on its behalf by

  
James B. Sunley

Director

  
Richard J.S. Tice

Director

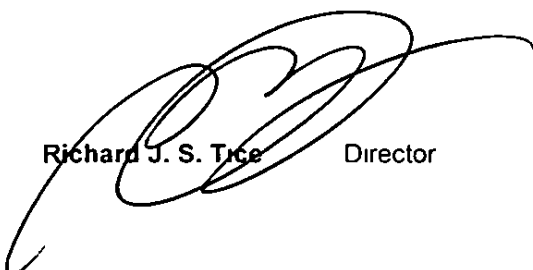
**SUNLEY FAMILY LIMITED****Company Number: 2168750****COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2011**

	Notes	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Investments	12(c)	<u>27,810</u>	<u>32,726</u>
<b>Current assets</b>			
Cash at bank and in hand		3	2
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,814)</u>	<u>(1,719)</u>
<b>Net current liabilities</b>		<u>(1,811)</u>	<u>(1,717)</u>
<b>Total assets less current liabilities</b>		<u>25,999</u>	<u>31,009</u>
<b>Capital and reserves</b>			
Equity called up share capital	17	41	41
Share premium account	18	11,266	11,266
Capital maintenance reserve	18	325	325
Profit and loss account	18	<u>14,367</u>	<u>19,377</u>
<b>Equity shareholders' funds</b>		<u>25,999</u>	<u>31,009</u>

The financial statements were approved and authorised for issue by the Board of Directors on 11 APRIL 2012 and were signed below on its behalf by



James B Sunley Director



Richard J. S. Tice

Director



**SUNLEY FAMILY LIMITED**

**GROUP CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

	<b>Notes</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Cash flow from operating activities</b>	20	(2,599)	4,524
Interest received		315	101
Interest paid		(130)	(68)
<b>Returns on investments and servicing of finance</b>		185	33
<b>Taxation</b>		-	(1)
Purchase of investments		(3,417)	(3,483)
Purchase of fixed assets		(1,393)	(936)
Sale of fixed assets and investments		4,184	4,913
Eliminate subsidiary investment		1,200	-
<b>Capital expenditure and financial investment</b>		574	494
<b>Equity dividends paid</b>		(1,629)	(804)
<b>Purchase of own shares</b>		-	(267)
<b>Net cash flow before financing</b>		(3,469)	3,979
<b>Financing</b>			
Capital received from minority shareholders		572	-
Net increase in bank loans		759	1,154
Net debt on acquisition of subsidiary		-	(2,308)
Preference shares issued		270	-
<b>Movements in cash and overdrafts</b>	21	(1,868)	2,825
The group includes as liquid resources term deposits of less than a year			
<b>Reconciliation of net cash flow to movement in net funds</b>			<b>2011 £'000</b>
Movement in cash and overdrafts			(1,868)
Movement in debt			(759)
Bank loan on acquisition of subsidiary			(8,043)
<b>Movement in net funds</b>			(10,670)
Net funds brought forward			6,915
<b>Net funds carried forward</b>			(3,755)

## **SUNLEY FAMILY LIMITED**

### **ACCOUNTING POLICIES**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **BASIS OF PREPARATION**

The financial statements are prepared on the historical cost basis modified for the revaluation of investment properties and of certain fixed assets and in accordance with applicable accounting standards

The consolidated financial statements comprise the financial statements of Sunley Family Limited and its subsidiary companies made up to 31 December in each year. Subsidiary companies are accounted for from the effective dates of acquisition until the effective dates of disposal.

#### **TURNOVER**

Turnover represents the value of sales of property, income from investment properties and the value of goods and services supplied to third parties in the year.

Turnover from the sale of property and land during the year is recognised on exchange of unconditional contracts providing that legal completion of the sale occurs by the end of the following month.

#### **INVESTMENT PROPERTIES**

Investment properties are externally valued at least once every five years. In the intervening years investment properties are valued by the group's directors on the basis of open market value.

#### **AMORTISATION AND DEPRECIATION**

##### **Intangible fixed assets**

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and amortised on a straight line basis over its estimated useful economic life of 20 years.

##### **Investment properties**

In accordance with Statement of Standard Accounting Practice No. 19 no amortisation is provided on freehold and leasehold investment properties with over 20 years of the lease unexpired. The directors consider that this policy results in the accounts giving a true and fair view. Amortisation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

##### **Short leasehold properties**

Short leasehold properties are carried at cost and amortised over the length of the lease.

##### **Other tangible fixed assets**

Depreciation is provided to write off the cost of other tangible fixed assets in equal instalments over their estimated useful lives, which vary between two and five years.

#### **INVESTMENTS**

##### **Group**

The group's share of the results and net assets of associates is included in the consolidated financial statements under the equity method. Other investments are included at cost less provision for impairment.

##### **Company**

Shares in subsidiary companies are stated on the basis of the net asset value of each company to the parent company. The difference between net asset value and historical cost is transferred to the revaluation reserve and on realisation is credited to the profit and loss account. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Other investments are included at cost or valuation.

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**SUNLEY FAMILY LIMITED****ACCOUNTING POLICIES (continued)****FOR THE YEAR ENDED 31 DECEMBER 2011**

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**INVESTMENTS (continued)****Joint venture**

In the Group financial statements, investments in joint ventures are accounted for using the gross equity method, adjusted to fair value on acquisition. The consolidated profit and loss account includes the Group's share of joint venture's profits less losses, while the Group's share of the net assets of the joint venture is shown in the consolidated balance sheet.

**FINANCIAL CHARGES**

All financial charges including interest payable and arrangement fees are written off as incurred. No interest is capitalised.

**STOCKS AND WORK IN PROGRESS**

Property held for development is stated at the lower of cost, which includes costs directly associated with the acquisition and development of the project and net realisable value.

Properties for resale and other stocks and work in progress are stated at the lower of cost and net realisable value.

**DEFERRED TAXATION**

Deferred tax is provided using the full provision method and is recognised in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date. Deferred tax is measured on a non-discounted basis.

**OPERATING LEASES**

Rents payable under operating leases are charged to the profit and loss account in the year in which they become due.

**PENSIONS**

The group operates group personal pension plans and defined contribution schemes. Contributions to these schemes are charged to the profit and loss account.

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**1 SEGMENTAL INFORMATION**

	Turnover 2011 £'000	Operating profit 2011 £'000	Gross trading assets 2011 £'000	Turnover 2010 £'000	Operating profit 2010 £'000	Gross trading assets 2010 £'000
General property investment and development	10,454	1,630	26,614	13,729	1,712	25,899
Net assets			26,614			25,899

**2 OPERATING PROFIT**

	2011 £'000	2010 £'000
Operating profit is stated after charging		
Depreciation and amortisation	84	1,027
Hire of other assets - operating leases	172	113
Auditors' remuneration		
Audit fees	33	50
Taxation and other fees	21	50

**3 NET INTEREST RECEIVABLE**

Interest payable on bank loans and overdrafts	(130)	(68)
Interest receivable	315	101
Net interest receivable	185	33

**4 EMPLOYEES**

The average number of persons employed by the group was	19	21
	£'000	£'000
Costs incurred in respect of these employees were		
Wages and salaries	1,381	1,186
Social security costs	132	146
Other pension costs	62	75
	1,575	1,407

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>5 DIRECTORS' REMUNERATION</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Aggregate emoluments	256	415
Company pension contributions	20	35
	<u>276</u>	<u>450</u>
Highest paid director		
Aggregate emoluments	225	200
Company pension contributions	20	20
	<u>245</u>	<u>220</u>

During the year retirement benefits were accruing to 1 director (2010: 1) in respect of defined contribution pension schemes

**6 PENSION ARRANGEMENTS**

The company operates a defined contribution pension scheme for most employees. Certain employees operate their own pension schemes into which the company contributes. The assets of the schemes are held separately from those of the company in independently administered funds.

The pension cost charge represents contributions payable by the company to the company scheme and to personal pension schemes and amounted to £62,000 (2010: £75,000).

<b>7 TAXATION</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>(a) Analysis of charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	-	1
Tax on profit on ordinary activities	-	1
<b>(b) Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before tax	1,772	1,696
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	470	475
Effects of		
Expenses not deductible for tax purposes	40	304
Depreciation in excess of capital allowances	5	24
Receipts not chargeable for corporation tax	(53)	-
Utilisation of losses brought forward	(317)	(804)
Non group franked investment income	(55)	(18)
Unrealised losses	51	5
Losses carried back to prior period	-	-
Losses carried forward	285	286
Net capital gain	(426)	(271)
Current tax charge for the year (a)	-	1
<b>(c) Factors affecting future tax charge</b>		
The group has a significant amount of tax losses carried forward that may reduce any future tax charge		

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>8 DIVIDENDS</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
The group paid interim dividends to the shareholders of Sunley Family Limited as follows -		
£6 52 per share to the Ordinary A shareholders (2010 £3 48)	1,499	800
£7 35 per share to the Ordinary C shareholder (2010 £Nil)	90	-
£5 92 per share to the Ordinary G shareholder (2010 £Nil)	40	-
£nil to an external shareholder of Barley Showhomes Limited (2010 £4,000)	-	4
	<u>1,629</u>	<u>804</u>

**9 PROFIT AND LOSS ACCOUNT OF THE COMPANY**

In accordance with the exemption allowed by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented. The loss after taxation attributable to the company dealt with in its own accounts for the year ended 31 December 2011 is £3,381,000 (2010 £1,485,473)

<b>10 INTANGIBLE FIXED ASSETS</b>	<b>Goodwill £'000</b>
<b>Cost</b>	
At 1 January 2011	1,350
Additions	<u>1,943</u>
At 31 December 2011	<u>3,293</u>
<b>Amortisation</b>	
At 1 January 2011	1,350
Charge for the year	<u>-</u>
	<u>1,350</u>
<b>Book value at 31 December 2011</b>	<u>1,943</u>
<b>Book value at 31 December 2010</b>	<u>-</u>
Additions in the year represent amounts paid to acquire a subsidiary company in excess of the carrying value of assets and liabilities at the time of acquisition	

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**11 TANGIBLE FIXED ASSETS**

	Freehold Investment Properties £'000	Fixtures and fittings £'000	Total £'000
<b>a) GROUP</b>			
<b>Cost or valuation</b>			
At 1 January 2011	4,510	2,363	6,873
Additions	1,355	38	1,393
Disposals	(817)	-	(817)
At 31 December 2011	5,048	2,401	7,449
<b>Depreciation</b>			
At 1 January 2011	375	2,194	2,569
Charge for the year	-	84	84
At 31 December 2011	375	2,278	2,653
Book value at 31 December 2011	4,673	123	4,796
Book value at 31 December 2010	4,135	169	4,304

The directors performed an internal valuation of all freehold investment properties as at 31 December 2011 on the basis of open market value. The director's valuation was £4,673,000 (2010 £4,135,000)

**12 FIXED ASSET INVESTMENTS**

	Group 2011 £'000	Group 2010 £'000	Company 2011 £'000	Company 2010 £'000
Subsidiary companies	-	-	27,810	32,726
Other investments (note 12(a))	5,275	8,150	-	-
	5,275	8,150	32,726	32,726

A list of principal subsidiary companies at 31 December 2011 is given in note 22

**(a) GROUP**

	Other Investments £'000	Total £'000
<b>Cost or valuation</b>		
At 1 January 2011	8,150	8,150
Additions	1,715	1,715
Disposals	(3,367)	(3,367)
Net unrealised losses	(23)	(23)
Transfer between classes	(1,200)	(1,200)
<b>At 31 December 2011</b>	<b>5,275</b>	<b>5,275</b>

Historical cost of other investments at 31 December 2011 is £5,989,524 (2010 £7,845,000)

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**12. FIXED ASSET INVESTMENTS (continued)**

**(b) JOINT VENTURE INVESTMENTS**

The following is a summary of the group's share of the financial position and result of operations of the joint ventures for 2011 and 2010

	<b>2011</b>			<b>2010</b>		
	<b>BHE Property Devt's Limited £'000</b>	<b>CINIO Limited £'000</b>	<b>Total £'000</b>	<b>BHE Property Devt's Limited £'000</b>	<b>CINIO Limited £'000</b>	<b>Total £'000</b>
Turnover	893	-	893	10	-	10
Operating profit/(loss)	(42)	-	(42)	(49)	-	(49)
<b>Profit/(loss) before taxation</b>	<b>(42)</b>	<b>-</b>	<b>(42)</b>	<b>(49)</b>	<b>-</b>	<b>(49)</b>
<b>Balance sheet</b>						
Gross assets - current	-	1,951	1,951	4,085	1,951	6,036
<b>Gross liabilities</b>						
Due within one year or less	-	(1,953)	(1,953)	(4,228)	(1,953)	(6,181)
<b>Share of net assets/(liabilities)</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>	<b>(143)</b>	<b>(2)</b>	<b>(145)</b>

Liabilities include the group's share of bank loans as follows

Due within one year or less	-	-	-	2,263	-	2,263
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**(c) COMPANY**

**Cost or valuation**

At 1 January 2011 and 31 December 2011

**Subsidiary  
companies  
£'000**

**27,810**

**13 STOCKS AND WORK IN PROGRESS**

	<b>Group</b>		<b>Company</b>	
	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Properties held for development	19,927	4,193	-	-



**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**14 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	674	332	-	-
Amounts owed by joint ventures	150	2,181	-	-
Other debtors	3,375	1,538	-	-
Prepayments and accrued income	846	310	-	-
	<u>5,045</u>	<u>4,361</u>	<u>-</u>	<u>-</u>
Due within one year	<u>5,045</u>	<u>4,361</u>	<u>-</u>	<u>-</u>

Included within other debtors is £384,334 (2010 £384,334) that relates to amounts due from the sale of properties where the group has entered into a shared equity agreement with the purchaser. The directors performed an internal valuation on the properties in question at 31 December 2011 on the basis of an open market valuation which showed that they believe the amount to be fully recoverable under the terms of the agreement.

**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank overdrafts	1,215	116	-	-
Loans	10,355	1,673	-	-
Trade creditors	320	232	-	-
Amounts owed to group companies	-	-	1,806	1,703
Accruals and deferred income	2,575	487	8	16
Other creditors	3,330	472	-	-
Other taxes and social security	120	688	-	-
	<u>17,915</u>	<u>3,668</u>	<u>1,814</u>	<u>1,719</u>
	<u>17,915</u>	<u>3,668</u>	<u>1,814</u>	<u>1,719</u>

Fixed and floating charges over the assets of certain subsidiaries have been granted in respect of borrowings.

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

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Preference share capital treated as debt	270	-	-	-
Loans	120	-	-	-
	<u>390</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>390</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>17 CALLED UP SHARE CAPITAL</b>	<b>2011 Shares</b>	<b>2010 Shares</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Allotted, called up and fully paid:</b>				
Ordinary shares of 10p each	110,478	110,478	11	11
A Ordinary shares of 10p each	229,840	229,840	23	23
B Ordinary shares of 10p each	16,225	16,225	2	2
C Ordinary shares of 10p each	12,240	12,240	1	1
D Ordinary shares of 10p each	-	-	-	-
F Ordinary shares of 10p each	10,140	10,140	1	1
G Ordinary shares of 10p each	6,760	6,760	1	1
H Ordinary shares of 10p each	8,197	8,197	1	1
J Ordinary shares of 10p each	8,704	8,704	-	-
K Ordinary shares of 10p each	6,760	6,760	1	1
	<u>409,344</u>	<u>409,344</u>	<u>41</u>	<u>41</u>

**Income**

The holders of the various classes of shares are entitled to receive income from a specific wholly owned subsidiary company as follows, but are not entitled to any further or other rights of participation in profits of the company

**Capital**

On the return of capital on liquidation or otherwise the assets of the various subsidiary companies shall belong to and be distributed ratably among the classes of shares

The balance of any assets shall belong to and be distributed ratably among the holders of the Ordinary Shares

**Votings**

All classes of shares have equal voting rights

<b>18 RESERVES</b>	<b>Share Premium Account £'000</b>	<b>Capital Maintenance Reserve £'000</b>	<b>Profit and Loss Account £'000</b>
<b>Group</b>			
At 1 January 2011	11,266	325	(2,394)
Profit for the year	-	-	1,729
Dividends	-	-	(1,629)
<b>At 31 December 2011</b>	<u>11,266</u>	<u>325</u>	<u>(2,294)</u>
<b>Company</b>			
At 1 January 2011	11,266	325	19,377
Profit for the year	-	-	(3,381)
Dividends	-	-	(1,629)
<b>At 31 December 2011</b>	<u>11,266</u>	<u>325</u>	<u>14,367</u>

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Profit for the financial year	1,729	1,695
Dividends	(1,629)	(804)
Share buy back	-	(267)
Net movement in shareholders' funds	100	624
Opening shareholders' funds	25,899	25,275
<b>Closing shareholders' funds</b>	<b>25,999</b>	<b>25,899</b>

<b>20 CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Operating profit	1,457	1,712
Depreciation and amortisation	84	1,027
Profit on sale of investments	-	-
Impairment of investment property	-	-
Unrealised gain on investments	23	127
(Increase)/decrease in stocks and work in progress	(4,019)	1,902
Increase in debtors	(2,308)	(608)
Increase in creditors	2,164	364
	<b>(2,599)</b>	<b>4,524</b>

<b>21 ANALYSIS OF NET FUNDS/(DEBT)</b>	<b>Cash at bank and in hand</b>	<b>Overdrafts</b>	<b>Total</b>	<b>Loans due within one year</b>	<b>Loans due after more than one year</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 January 2011	8,704	(116)	8,588	(1,673)	-	6,915
Net cash flow	(769)	(1,099)	(1,868)	(639)	(120)	(2,627)
On acquisition of subsidiary	-	-	-	(8,043)	-	(8,043)
<b>At 31 December 2011</b>	<b>7,935</b>	<b>(1,215)</b>	<b>6,720</b>	<b>(10,355)</b>	<b>(120)</b>	<b>(3,755)</b>

**22 SUBSIDIARY AND ASSOCIATED COMPANIES**

The following is a list of the principal subsidiary and associated companies of Sunley Family Limited at 31 December 2011 which operated in the UK

Group companies not owned directly by Sunley Family Limited are indicated by an asterisk

	<b>% Ownership</b>	<b>Country of Incorporation And operation</b>
Sunley Holdings PLC (and the subsidiaries thereof)	100%	England
Sunley Estates Limited*	100%	England

**SUNLEY FAMILY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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<b>23</b>	<b>OPERATING LEASE RENTALS</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
	<b>GROUP</b>		
	The annual commitments in respect of		
	Operating leases are as follows		
	Land and buildings		
	- expiring next year	16	9
	- expiring within 2 to 5 years	127	127
	Other operating leases		
	- expiring next year	-	1
	- expiring within 2 to 5 years	7	7
		<u>150</u>	<u>144</u>

**24** **ULTIMATE CONTROLLING PARTY**

The directors do not consider there to be an ultimate controlling party