COMPANY REGISTRATION NUMBER NI 063614

# ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED)

# ABBREVIATED ACCOUNTS

## 31 DECEMBER 2010

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BELFAST

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COMPANIES HOUSE

**MANEELY Mc CANN**
Chartered Accountants & Statutory Auditor
Aisling House
50 Stranmillis Embankment
Belfast
BT9 5FL

# ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED)

## ABBREVIATED ACCOUNTS

## YEAR ENDED 31 DECEMBER 2010

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# ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED)

## INDEPENDENT AUDITOR'S REPORT TO ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED)

## UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Artemis Developments Limited (formerly Sarcon (No. 249) Limited) for the year ended 31 December 2010 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

## INDEPENDENT AUDITOR'S REPORT TO ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED) *(continued)*

## UNDER SECTION 449 OF THE COMPANIES ACT 2006

### OTHER INFORMATION

On 9 January 2012 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 31 December 2010, and the full text of the company audit report is reproduced below:

**"We have audited the financial statements of Artemis Developments Limited (formerly Sarcon (No. 249) Limited) for the year ended 31 December 2010 . 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 shareholders, 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 shareholders 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 shareholders 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 (APB's) Ethical Standards for Auditors.**

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

**An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.**

### QUALIFIED OPINION ON FINANCIAL STATEMENTS ARISING FROM LIMITATION IN AUDIT SCOPE

**Directors' loans and Intercompany loans**

**Included in Directors' loans are amounts totalling £2.07 million due to two of the directors of the company. Included in Intercompany loans are amounts due to Ravella Properties Limited of £1.5 million and Cobra Estates Limited of £0.2 million. We have been unable to obtain sufficient appropriate audit evidence regarding these amounts included in these financial statements.**

**Except for insufficient evidence being provided regarding the amounts included in Directors' loans and Intercompany loans, in our opinion the financial statements:**

- **give a true and fair view of the state of the company's affairs as at 31 December 2010 and loss 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 MATTERS 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

**In respect solely of the limitation of our work relating to Directors' loans and Intercompany loans as described above:**

- **we have not received all the information and explanations we require for our audit.**

**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.**

## EMPHASIS OF MATTER - GOING CONCERN

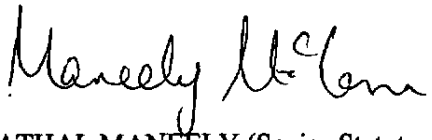
**In forming our opinion we have considered the adequacy of the disclosures made in note 10 of the financial statements. The financial statements have been prepared on the going concern basis, the validity of which depends on the continued support of the company's bankers and joint venture parties. The financial statements do not include any adjustments that would result from the failure to secure this continued support.**

**We also draw your attention to the carrying value of trading property at the balance sheet date which amounted to £14.92 million. This stock has been valued at the lower of cost and net realisable value, based on the directors' estimate of the future development potential of the trading property, taking into account professional valuations of the sites by an external property agent. One of the sites with a carrying value of £5.95 million is also awaiting planning permission and these financial statements do not include any adjustment should planning permission not be received. Given the current difficult economic climate and the property market conditions, there is significant uncertainty regarding the financial outcome of the ultimate development of the trading property and, accordingly, the net realisable value.**

**We consider that these uncertainties should be brought to your attention but our opinion is not qualified in respect of these uncertainties."**

## INDEPENDENT AUDITOR'S REPORT TO ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED) *(continued)*

## UNDER SECTION 449 OF THE COMPANIES ACT 2006



CATHAL MANEELY (Senior Statutory Auditor)
For and on behalf of
MANEELY Mc CANN
Chartered Accountants
& Statutory Auditor

Aisling House
50 Stranmillis Embankment
Belfast
BT9 5FL

9 January 2012

# ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED)

## BALANCE SHEET

## 31 DECEMBER 2010

| | Note | 2010 £ | £ | 2009 £ |
|---|---|---|---|---|
| **CURRENT ASSETS** | | | | |
| Stocks | | 14,920,000 | | 24,853,621 |
| Debtors | | 54,574 | | 57,336 |
| Cash at bank and in hand | | 156 | | 58,208 |
| | | 14,974,730 | | 24,969,165 |
| **CREDITORS: Amounts falling due within one year** | 2 | 28,785,647 | | 27,990,200 |
| **NET CURRENT LIABILITIES** | | | (13,810,917) | (3,021,035) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | (13,810,917) | (3,021,035) |
| **CAPITAL AND RESERVES** | | | | |
| Called-up equity share capital | 3 | | 2 | 2 |
| Profit and loss account | | | (13,810,919) | (3,021,037) |
| **DEFICIT** | | | (13,810,917) | (3,021,035) |

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These accounts were approved by the directors and authorised for issue on 9 January 2012, and are signed on their behalf by:

MR B GILLIGAN MR K STANLEY

MRS L E HERBERT MR M A HERBERT

Company Registration Number: NI 063614

# ARTEMIS DEVELOPMENTS LIMITED (FORMERLY SARCON (NO. 249) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 DECEMBER 2010

### 1. ACCOUNTING POLICIES

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

Turnover represents the total amounts derived from rentals receivable on lettings to tenants, accrued on a time basis, by reference to the agreements entered; turnover from sale of trading properties is recognised on the date of completion.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Investment properties**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

**Work in progress**

Trading property stock is stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each property or site to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

## 1. ACCOUNTING POLICIES *(continued)*

### Taxation

Corporation tax is calculated on the results for the period.

Tax deferred as a result of timing differences between accounting and taxation profits is provided for in full in respect of deferred tax liabilities. The provision is made at the taxation rates at which the differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. deferred tax assets are recognised to the extent that they are regarded as recoverable.

Tax losses are surrendered between consortium companies for no consideration.

## 2. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | 2010 | 2009 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | **20,931,025** | 21,000,000 |

## 3. SHARE CAPITAL

**Allotted, called up and fully paid:**

| | 2010 | | 2009 | |
|---|---|---|---|---|
| | No | £ | No | £ |
| 2 Ordinary shares of £1 each | **2** | **2** | 2 | 2 |

## 4. GOING CONCERN

The company is engaged in property trading and development, and also receives some rental income. The company is in the early stages of developments and accordingly losses are anticipated. The directors realise that the current economic circumstances represent uncertainty for the company and, after evaluating the company's current position and future plans, have reasonable expectation that the company will continue in operational existence for the foreseeable future. The directors continue to pursue the development potential of land held and have included the current economic climate and property market in their considerations.

The company meets its working capital requirements through the financial support provided from Herbel Restaurants Limited, one of the joint venture parties, its directors Mr B Gilligan and Mr K Stanley, and from Ravella Properties Limited and Cobra Estates Limited, both related party companies. Herbel Restaurants Limited, Mr B Gilligan and Mr K Stanley, and Ravella Properties Limited and Cobra Estates Limited continue to support the company. The company also continues to depend on the ongoing support of of its bankers. The directors are currently in discussions with the bankers and fully expect further bank facilities to be made available to allow the company to continue to trade as a going concern.

Accordingly the directors have prepared these financial statements on the going concern basis.