Barteak Developments (Mayfields) Limited

Report and Financial Statements

Year Ended

30 September 2010

Company Number 03792219

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Barteak Developments (Mayfields) Limited

Report and financial statements
for the year ended 30 September 2010

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Directors

DR Back
PJ Webb

Registered office

Avon House, 435 Stratford Road, Shirley, Solihull, B90 4AA

Company number

03792219

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Barteak Developments (Mayfields) Limited

Report of the directors
for the year ended 30 September 2010

The directors present their report together with the audited financial statements for the year ended 30 September 2010

Results

The profit and loss account is set out on page 5 and shows the loss for the year

Principal activities

The company's principal activity is, and will continue to be, that of property development

Going concern

The company is party to group facilities with Bank of Scotland ("group's lenders") which comprise a loan of £6 0m and a working capital facility of £500k Whilst these facilities formally expired on 31 October 2009 the group's lenders have continued to support the group on a rolling basis and current facilities have been further extended to 30 April 2011 with an indication of further extensions subsequent to this date

Whilst the directors have taken all necessary actions to mitigate the impact of underlying economic conditions which include post year-end managed reduction of bank funding requirements, monitoring of working capital requirements and management of available facilities they have also carefully considered likely future trading and resultant cashflows in order to prepare these financial statements on a going concern basis

As part of the directors' review of going concern, detailed profit and cash flow forecasts have been prepared for the group until January 2012 which are supported by current activity levels, assessments of the likely demand from clients and the results achieved in the period to 30 November 2010 Subsequent to the year-end proceeds from a land sale of £800k were used to further reduce the loan balance and there are no forecast breaches of the working capital facility during the period to January 2012

On the above basis the Directors continue to adopt the going concern basis in preparing the financial statements

Indemnity provision

Third party indemnity cover for the directors was in place during the financial year and at the year end

Directors

The directors of the company during the year were

DR Back
PJ Webb

Directors' responsibilities

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 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 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 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

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information The directors are not aware of any relevant audit information of which the auditors are unaware

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

In preparing this directors' report advantage has been taken of the small companies' exemption

On behalf of the board

DR Back

Director

Date 25/01/11

Barteak Developments (Mayfields) Limited

Independent auditor's report

TO THE MEMBERS OF BARTEAK DEVELOPMENTS (MAYFIELDS) LIMITED

We have audited the financial statements of Barteak Developments (Mayfields) Limited for the year ended 30 September 2010 which comprise the profit and loss account, the balance sheet 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 statement of directors' responsibilities, 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

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 the directors, and the overall presentation of the financial statements

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 30 September 2010 and of its 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 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, 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

BDO LLP

Mark Anslow (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

Date 26 01 11

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Barteak Developments (Mayfields) Limited

Profit and loss account
for the year ended 30 September 2010

	Note	2010 £	2009 £
Cost of sales		60,155	-
Gross loss		(60,155)	-
Administrative expenses		-	(5,050)
Operating (loss)/profit	2	(60,155)	5,050
Interest payable and similar charges	4	(8,035)	(9,420)
Loss on ordinary activities before and after taxation for the financial year		(68,190)	(4,370)

All amounts relate to continuing activities
All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 7 to 10 form part of these financial statements

Barteak Developments (Mayfields) Limited

Balance sheet
at 30 September 2010

Company number 03792219	Note	2010 £	2010 £	2009 £	2009 £
Called up share capital not paid			**100**		100
Current assets					
Development in progress	5	**514,967**		514,967	
Creditors: amounts falling due within one year	6	**1,354,057**		1,285,867	
Net current liabilities			**(839,090)**		(770,900)
Total assets less current liabilities			**(838,990)**		(770,800)
Capital and reserves					
Called up share capital	7		**100**		100
Profit and loss account	8		**(839,090)**		(770,900)
Shareholders' deficit	9		**(838,990)**		(770,800)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 25/01/11

DR Back
Director

The notes on pages 7 to 10 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Going concern

Due to the underlying economic conditions impacting on the UK property market the company made a loss before tax of £68,190 for the year ended 30 September 2010 and ended with net liabilities of £838,990 as at that date

The company is party to group facilities with Bank of Scotland ("group's lenders") which comprise a loan of £6 0m and a working capital facility of £500k Whilst these facilities formally expired on 31 October 2009 the group's lenders have continued to support the group on a rolling basis and current facilities have been further extended to 30 April 2011 with an indication of further extensions subsequent to this date

Whilst the directors have taken all necessary actions to mitigate the impact of these conditions which include post year-end managed reduction of bank funding requirements, monitoring of working capital requirements and management of available facilities they have also carefully considered likely future trading and resultant cashflows in order to prepare these financial statements on a going concern basis

As part of the directors' review of going concern, detailed profit and cash flow forecasts have been prepared for the group until January 2012 which are supported by current activity levels, assessments of the likely demand from clients and the results achieved in the period to 30 November 2010 Subsequent to the year-end proceeds from a land sale of £800k were used to further reduce the loan balance and there are no forecast breaches of the working capital facility during the period to January 2012

On the above basis the Directors continue to adopt the going concern basis in preparing the financial statements

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006

Turnover

Turnover represents the sale of development properties to external customers at invoiced amounts less value added tax or local taxes on sales

Stocks

Stocks are valued at the lower of cost and net realisable value Cost is based on the cost of purchase on a first in, first out basis Net realisable value is based on estimated selling price less additional costs to completion and disposal

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract

1 Accounting policies *(continued)*

Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Barteak Developments (Holdings) Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

2 Operating (loss)/profit

	2010 £	2009 £
This is arrived at after charging		
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	**4,000**	4,000

3 Directors' remuneration

No director received any emoluments during the current year (2009 - £Nil)

4 Interest payable and similar charges

	2010 £	2009 £
Bank loans and overdrafts	**8,035**	9,420

5 Development in progress

	2010 £	2009 £
Stocks	**514,967**	514,967

6 Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	**1,354,057**	1,285,867

The amounts owed to group undertakings are non-interest bearing and are repayable on demand

7 Share capital

	2010 £	2009 £
Allotted, called up and unpaid		
100 ordinary shares of £1 each	**100**	100

8 Reserves

	Profit and loss account £
At 1 October 2009	(770,900)
Loss for the year	(68,190)
At 30 September 2010	**(839,090)**

9 Reconciliation of movements in shareholders' deficit

	2010 £	2009 £
Loss for the year	**(68,190)**	(4,370)
Opening shareholders' deficit	**(770,800)**	(766,430)
Closing shareholders' deficit	**(838,990)**	(770,800)

10 Contingent liabilities

The company has given a legal charge to the company's bankers over certain developments and freehold land

11 Ultimate parent company and parent undertaking

The company is a subsidiary of Barteak Developments Limited which is a wholly owned subsidiary of Barteak Developments (Holdings) Limited, which is the ultimate parent company incorporated in England

The largest and smallest group in which the results of the company are consolidated is that headed by Barteak Developments (Holdings) Limited, incorporated in England and Wales The consolidated accounts of this company are available to the public and may be obtained from Avon House, 435 Stratford Road, Shirley, Solihull, B90 4AA No other group accounts include the results of the company

DR Back has a controlling interest in the share capital of Barteak Developments (Holdings) Limited and is regarded as the ultimate controlling party

12 Post balance sheet events

Subsequent to the year end, the group banking facilities of which the company is party to were renewed

Further details are disclosed within the Directors' Report