RED KITE DEVELOPMENTS LIMITED (4493278)

DIRECTORS'REPORT

The directors have pleasure in submitting their report together with the financial statements for the year ended 31st December 2008.

PRINCIPAL ACTIVITIES

The principal activity is that of property letting.

DIRECTORS

The directors who served during the year were as follows:

M T Wheeler
A P Tett

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

A P TETT

Secretary

7th October 2009

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RED KITE DEVELOPMENTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2008

	Notes	2008 £	2007 £
TURNOVER		62,191	52,983
Cost of Sales		(25,674)	(25,489)
GROSS PROFIT		36,517	27,494
Administrative Expenses		(171,552)	(9,238)
OPERATING (LOSS)/PROFIT	1	(135,035)	18,256
Interest Payable and Similar Charges		(56,062)	(67,219)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(191,097)	(48,963)
Tax on Ordinary Activities	2	(7)	(21)
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	10	(191,104)	(48,984)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(Loss) for the year	(191,104)	(48,984)
Unrealised (deficit)/surplus on revaluation of investment properties	(508,038)	148,999
Total recognised gains and losses for the period	(699,142)	100,015

RED KITE DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31st DECEMBER 2008

	Notes	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible Assets	3		1,593,040		1,987,655
CURRENT ASSETS					
Debtors	4	14,530		11,112	
Bank Accounts		2,550		4,500	
		17,080		15,612	
CREDITORS: Amounts falling due within one year	5	56,428		68,715	
NET CURRENT ASSETS			(39,348)		(53,103)
			1,553,692		1,934,552
CREDITORS: Amounts falling due after more than one year	6		(1,827,212)		(1,508,930)
			(273,520)		425,622
CAPITAL AND RESERVES					
Called Up Share Capital	8		200		200
Investment Property Revaluation Reserve	9		-		508,038
Profit & Loss Account	10		(273,720)		(82,616)
			(273,520)		425,622

The financial statements are prepared in accordance with Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements have not been audited because the company is entitled to the exemption under Section 249A(1) of the Companies Act 1985 and no member or members have requested an audit pursuant to S249B(2).

The directors acknowledge their responsibilities for:

(i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

The financial statements were approved by the board on 7th October 2009 and signed on their behalf by:

M T WHEELER

A P TETT

RED KITE DEVELOPMENTS LIMITED

DIRECTORS RESPONSIBILITIES AND ACCOUNTING POLICIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of preparation of the financial statements:

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

ACCOUNTING POLICIES

Accounting Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover comprises rental income receivable during the year.

Depreciation

No depreciation is provided on freehold investment properties. Depreciation is provided at 15% of the reducing balance on fixtures and fittings.

Investment Property

Investment properties are revalued annually, surpluses or deficits arising from these valuations are taken to the investment property revaluation reserve.

In accordance with SSAP19 no depreciation is provided in respect of freehold investment property. Whilst this is a departure from the requirements of the Companies Act 1985 the director considers that the adoption of SSAP19 is necessary in order that the financial statements show a true and fair view.

Deferred Taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for financial statements purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences other than for timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

RED KITE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008

1. OPERATING LOSS/PROFIT

Operating (loss)/profit for the year is stated after charging:

	2008	2007
	£	£
Depreciation	2,301	1,007
Exceptional Item		
Unrealised loss on revaluation of investment properties	164,003	-

2. TAXATION

Corporation Tax @ 19.75% (2008 : 19%)	7	21

The company has losses of £103,453 (2007 : £78,623) to set against future rental income.

3. TANGIBLE FIXED ASSETS

COST OR VALUATION	Freehold Investment Properties £	Fixtures and Fittings £	TOTAL £
At 1st January 2008	1,981,951	10,924	1,992,875
Additions at cost this year	270,090	9,637	279,727
Revaluation this year	(672,041)	-	(672,041)
At 31st December 2008	1,580,000	20,561	1,600,561
Cost	-	20,561	20,561
Valuation	1,580,000	-	1,580,000
	1,580,000	20,561	1,600,561
DEPRECIATION			
At 1st January 2008	-	5,220	5,220
Charge this year	-	2,301	2,301
At 31st December 2008	-	7,521	7,521
WRITTEN DOWN VALUE			
At 31st December 2008	1,580,000	13,040	1,593,040
At 1st January 2008	1,981,951	5,704	1,987,655

The Investment Properties were revalued by M T Wheeler on the basis of open market value in existing use at 31st December 2008. If Investment Properties had not been revalued, they would have been included at cost of £1,744,003 (2007 : £1,473,913).

No provision has been made for the potential taxation liability, which would arise on the sale of the company's Investment Properties at book value. The potential liability is £ Nil (2007 : £88,451).

RED KITE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008
(Cont'd/...)

4. DEBTORS

	2008 £	2007 £
Trade Debtors	8,183	7,928
Other Debtors	3,000	-
Prepayments	3,347	3,184
	14,530	11,112

5. CREDITORS: Amounts Falling Due Within One Year

Bank Loans (secured) (Note 7)	18,697	21,524
Bank Overdraft	18,101	16,378
Corporation Tax	7	21
Other Creditors	-	10,000
Other Taxes & Social Security	208	243
Accruals & Deferred Income	19,415	20,549
	56,428	68,715

6. CREDITORS: Amounts Falling Due After More Than One Year

Bank Loans (secured) (Note 7)	846,026	867,744
Directors' Loan Accounts	981,186	641,186
	1,827,212	1,508,930

7. BANK LOANS

The loans are repayable by instalments over a period of more than five years. The amount repayable after five years is £ 771,238 (2007 : £781,647).

8. SHARE CAPITAL

Authorised:	2008 £	2007 £
1,000 Ordinary Shares of £1 each	1,000	1,000
Allotted & Called Up:		
200 Ordinary shares of £1 each	200	200

RED KITE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008
(Cont'd/...)

9. INVESTMENT PROPERTY REVALUATION RESERVE	£
As at 1st January 2008	508,038
Arising this year	(508,038)
As at 31st December 2008	-

10. PROFIT & LOSS ACCOUNT	
As at 1st January 2008	(82,616)
Loss retained for the year	(191,104)
As at 31st December 2008	(273,720)

11. FINANCIAL RESOURCES

The directors have agreed to provide adequate resources to the company to enable it to continue in business for the foreseeable future.