

Financial Statements Springhead Developments No.1 Limited

For the year ended 31 March 2012

FRIDAY



A1G00U0Y

A38

24/08/2012

#129

COMPANIES HOUSE

Registered number: 06006476

Company Information

Directors	P T Millington J O Pitt J D Bell (resigned 30 June 2012) I Marcus (appointed 1 May 2012)
Company secretary	R Marshall
Company number	06006476
Registered office	Millshaw Leeds LS11 8EG
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN
Bankers	Natwest Bank plc Park Row Leeds LS1 5HD
Solicitors	Walker Morris Kings Court 12 King Street Leeds LS1 2HL

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

Directors' Report

For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Principal activities

The principal activity of the company during the year was that of property investment and development

Directors

The directors who served during the year were

P T Millington

J O Pitt

J D Bell (resigned 30 June 2012)

Qualifying third party indemnity provisions

All directors benefited from qualifying indemnity insurance policies in place during the financial year

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 judgments and accounting estimates that are reasonable and prudent, 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 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.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Springhead Developments No.1 Limited

Directors' Report

For the year ended 31 March 2012

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 20 August 2012 and signed on its behalf



R Marshall
Secretary



Independent Auditor's Report to the Members of Springhead Developments No.1 Limited

We have audited the financial statements of Springhead Developments No 1 Limited for the year ended 31 March 2012, 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 auditor

As explained more fully in the Directors' responsibilities statement, 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 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 March 2012 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.



Independent Auditor's Report to the Members of Springhead Developments No.1 Limited

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 take advantage of the small companies' exemption in preparing the Directors' report

Grant Thornton UK LLP

Andrew Wood (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Leeds

20 August 2012

Springhead Developments No.1 Limited

Profit and Loss Account

For the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	1,2	43,732	53,173
Cost of sales		<u>(88,007)</u>	<u>(318,479)</u>
Gross loss		(44,275)	(265,306)
Administrative expenses		<u>(142,220)</u>	<u>(92,577)</u>
Operating loss		(186,495)	(357,883)
Interest payable and similar charges	5	<u>(107,309)</u>	<u>(88,284)</u>
Loss on ordinary activities before taxation		(293,804)	(446,167)
Tax on loss on ordinary activities	6	<u>-</u>	<u>(12,564)</u>
Loss for the financial year	12	<u>(293,804)</u>	<u>(458,731)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 12 form part of these financial statements

Balance Sheet

As at 31 March 2012

	Note	£	2012 £	£	2011 £
Current assets					
Stocks	7	1,423,211		1,400,000	
Debtors	8	29,103		43,562	
Cash at bank		714		7,586	
		<u>1,453,028</u>		<u>1,451,148</u>	
Creditors amounts falling due within one year	9	<u>(3,302,676)</u>		<u>(3,006,992)</u>	
Net current liabilities			<u>(1,849,648)</u>		<u>(1,555,844)</u>
Total assets less current liabilities			<u>(1,849,648)</u>		<u>(1,555,844)</u>
Provisions for liabilities					
Deferred tax	10		<u>(12,564)</u>		<u>(12,564)</u>
Net liabilities			<u><u>(1,862,212)</u></u>		<u><u>(1,568,408)</u></u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		<u>(1,862,312)</u>		<u>(1,568,508)</u>
Shareholders' deficit	13		<u><u>(1,862,212)</u></u>		<u><u>(1,568,408)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 August 2012



P T Millington
Director

The notes on pages 7 to 12 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Evans Management Limited, a fellow group undertaking. Evans Management Limited has provided the company with an undertaking that for the foreseeable future it will continue to make available such funds and other assistance as is needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

As with any company placing reliance on other group entities 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 on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.4 Turnover

Turnover consists of gross rental income. Gross rental income represents amounts invoiced to tenants, excluding value added tax, as adjusted for rents invoiced in advance and in arrears.

1.5 Stocks

Land stocks are valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

For the year ended 31 March 2012

2. Turnover

The whole of the turnover is attributable to the principal activity of the company

All turnover arose within the United Kingdom

3. Auditors' remuneration

	2012	2011
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	500	500

The audit fee was borne by another group undertaking

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2011 -£NIL)

5. Interest payable

	2012	2011
	£	£
Interest payable to group undertakings	107,309	88,284

6. Taxation

	2012	2011
	£	£
Analysis of tax charge in the year		
Deferred tax (see note 10)		
Origination and reversal of timing differences	-	12,564
Tax on loss on ordinary activities	-	12,564

Notes to the Financial Statements

For the year ended 31 March 2012

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 -higher than) the standard rate of corporation tax in the UK of 26% (2011 -28%) The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	(293,804)	(446,167)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 -28%)	(76,389)	(124,927)
Effects of:		
Capital allowances for year in excess of depreciation	-	(2,048)
Group relief surrendered for no consideration	76,389	126,975
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges

7. Stocks

	2012 £	2011 £
Land held for development and/or sale	1,423,211	1,400,000

8. Debtors

	2012 £	2011 £
Trade debtors	18,167	28,566
Amounts owed by group undertakings	10,896	14,996
Other debtors	40	-
	29,103	43,562

Notes to the Financial Statements

For the year ended 31 March 2012

9. Creditors:

Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	2,315	4,041
Amounts owed to group undertakings	3,161,191	2,900,250
Social security and other taxes	-	1,058
Other creditors	4,292	4,292
Accruals and deferred income	134,878	97,351
	<u>3,302,676</u>	<u>3,006,992</u>

10. Deferred taxation

	2012	2011
	£	£
At beginning of year	12,564	-
Charge for year	-	12,564
	<u>12,564</u>	<u>12,564</u>

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	<u>12,564</u>	<u>12,564</u>

There are unrecognised deferred tax assets of £9,455 (2011, £9,455)

11. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Notes to the Financial Statements

For the year ended 31 March 2012

12. Reserves

	Profit and loss account £
At 1 April 2011	(1,568,508)
Loss for the year	(293,804)
At 31 March 2012	<u>(1,862,312)</u>

13. Reconciliation of movement in shareholders' deficit

	2012 £	2011 £
Opening shareholders' deficit	(1,568,408)	(1,109,677)
Loss for the year	(293,804)	(458,731)
Closing shareholders' deficit	<u>(1,862,212)</u>	<u>(1,568,408)</u>

14. Contingencies

There is a charge over certain properties of the company to secure certain borrowings of the parent company

The company has given multilateral guarantees in relation to bank loans and overdrafts on behalf of its parent company and certain fellow subsidiary undertakings. At 31 March 2012, this guarantee amounted to £98.3m (2011 £163.5m)

Notes to the Financial Statements

For the year ended 31 March 2012

15. Related party transactions

The company is provided with treasury services by a fellow group undertaking, Evans Management Limited, who handle all cash transactions on behalf of the company. These are all incurred in the normal way of business and reflect the transactions comprising the results included in these financial statements, and the cumulative total is included within the amounts due to group undertakings as shown below. The directors believe that it is inappropriate to disclose the individual transactions as they are all alike in nature and to do so would be impractical due to the volume of transactions.

The company incurred management charges, as shown below, from Evans Management Limited, a fellow group undertaking. At the year end this balance was shown within accruals.

In addition, the company incurred interest on outstanding balances with other group undertakings. The amount charged is shown below.

	2012 £	2011 £
Management charges payable to Evans Management Limited	129,810	92,517
Interest payable to group undertakings	107,309	88,284

The amounts owed by/to related undertakings are as follows. The related undertakings all have the same ultimate controlling party.

	2012 £	2011 £
Amounts owed by group undertakings		
Fradley Park Developments Limited	10,896	14,996
Total	10,896	14,996
Amounts owed to group undertakings		
Evans Management Limited	(2,052,427)	(1,500,833)
Drachs Investments No 3 Limited	(1,104,000)	(1,399,417)
Marchington Properties Limited	(4,764)	-
Total	(3,161,191)	(2,900,250)

16. Ultimate parent undertaking and controlling party

The ultimate holding company is Drachs Investments No 3 Limited, a company incorporated in Jersey. Drachs Investments No 3 Limited is owned by a trust for the benefit of the Evans Family.

This is the largest and smallest group for which consolidated financial statements are prepared.