

Gardenbook Properties Limited

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**Gardenbook Properties Limited**

**Report and Financial Statements**

**For the year ended 30 September 2008**

WEDNESDAY



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COMPANIES HOUSE

Gardenbook Properties Limited

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**Company information**

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<b>Directors</b>	M B Owen A J Norton H W Bilton A R Lovelady
<b>Company number</b>	3757827
<b>Registered office</b>	North House 17 North John Street Liverpool L2 5EA
<b>Auditors</b>	Ernst & Young LLP Registered auditor 20 Chapel Street Liverpool L3 9AG

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**Directors' Report**  
**For the year ended 30 September 2008**

The directors present their report and the financial statements for the year ended 30 September 2008.

**Principal activities**

The principal activity of the company during the year was property investment in the United Kingdom.

**Directors**

The directors who served during the year were:

M B Owen  
A J Norton  
H W Bilton  
A R Lovelady

**Provision of information to auditors**

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- 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.

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

This report was approved by the board on

**23 DEC 2009**

and signed on its behalf.



A R Lovelady  
Secretary

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**Statement of directors' responsibilities  
for the year ended 30 September 2008**

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The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 that 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 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.

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## **Independent Auditors' report to the members of Gardenbook Properties Limited**

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We have audited the company's financial statements for the year ended 30 September 2008 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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**Independent Auditors' report to the members of Gardenbook Properties Limited**

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**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



**Ernst & Young LLP**

Registered auditor

Liverpool

Date:

23/12/09

**Profit and loss account  
for the year ended 30 September 2008**

	<i>Note</i>	<i>2008 £000</i>	<i>2007 £000</i>
<b>Turnover</b>	1	46	46
Cost of sales		(3)	(3)
<b>Gross profit</b>		43	43
Administrative expenses		(4)	(4)
<b>Operating profit</b>	2	39	39
Interest payable		(21)	(21)
<b>Profit on ordinary activities before taxation</b>		18	18
Tax on profit on ordinary activities	3	(3)	(5)
<b>Profit on ordinary activities after taxation</b>	9	15	13

The notes on pages 8 to 12 form part of these financial statements.

**Statement of total recognised gains and losses  
for the year ended 30 September 2008**

	<i>Note</i>	<i>2008 £000</i>	<i>2007 £000</i>
<b><i>Profit for the financial year</i></b>		15	13
Unrealised deficit on revaluation of investment properties	4	(50)	-
<b><i>Total recognised gains and losses relating to the year</i></b>		<u>(35)</u>	<u>13</u>

The notes on pages 8 to 12 form part of these financial statements.



**Balance sheet  
as at 30 September 2008**

	<i>Note</i>	<i>£000</i>	<i>2008 £000</i>	<i>£000</i>	<i>2007 £000</i>
<b>Fixed assets</b>					
Investment property	4		550		600
<b>Current assets</b>					
Debtors	5	14		13	
<b>Creditors: amounts falling due within one year</b>	6	(44)		(41)	
<b>Net current liabilities</b>			(30)		(28)
<b>Total assets less current liabilities</b>			520		572
<b>Creditors: amounts falling due after more than one year</b>	7		(268)		(285)
<b>Net assets</b>			252		287
<b>Capital and Reserves</b>					
Called up share capital	8		20		20
Revaluation reserve	9		106		156
Profit and loss account	9		126		111
<b>Shareholders' funds</b>			252		287

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

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



**A R Lovelady**  
Director

**23 DEC 2009**

The notes on pages 8 to 12 form part of these financial statements.

## **Notes to the financial statements**

### **For the year ended 30 September 2008**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The true and fair override provisions of the Companies Act 1985 have been invoked, see "investment properties" below.

##### **1.2 Turnover**

Turnover represents gross rents and charges receivable and is attributable to one continuing activity of property investment in the United Kingdom.

##### **1.3 Investment properties**

Investment properties are accounted for in accordance with Financial Reporting Standard for Smaller Entities, as follows:

(i) Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, unless a deficit, or its reversal on an individual property is expected to be permanent, in which case it is recognised in the profit and loss account for the year. The revaluation of investment properties takes into account the provisions of abstract 28 from the Urgent Issues Task Force where operating lease incentives apply to a particular investment property.

(ii) No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation or amortisation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

## Notes to the financial statements

For the year ended 30 September 2008

### 1. Accounting policies (continued)

#### 1.4 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay tax in the future.

Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Operating profit

The operating profit is stated after charging:

	2008 £000	2007 £000
Auditors' remuneration	1	1

During the year, no director received any emoluments (2007: £nil).

### 3. Taxation

	2008 £000	2007 £000
UK corporation tax charge on profit for the year	3	5

#### **Factors that may affect future tax charges**

If the investment property was sold for the amount of its valuation, no tax liability would arise (2007: £11,000).

**Notes to the financial statements**  
For the year ended 30 September 2008

**4. Investment property**

*Freehold  
Property  
£000*

**Cost or valuation**

At 1 October 2007	600
Surplus/(Deficit) on revaluation	(50)

At 30 September 2008	550
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The cost of freehold property was £444,000. The property was valued by the directors on the basis of market value at 30 September 2008.

**5. Debtors**

	<i>2008 £000</i>	<i>2007 £000</i>
Trade debtors	13	13
Other debtors	1	-
	<u>14</u>	<u>13</u>

**6. Creditors:  
Amounts falling due within one year**

	<i>2008 £000</i>	<i>2007 £000</i>
Bank loan	20	20
Trade creditors	12	12
Corporation tax	9	5
Social security and other taxes	2	2
Other creditors	1	2
	<u>44</u>	<u>41</u>

**Notes to the financial statements**  
For the year ended 30 September 2008

**7. Creditors:**  
**Amounts falling due after more than one year**

	2008 £000	2007 £000
Bank loan	117	137
Amounts owed to related undertaking	151	148
	<u>268</u>	<u>285</u>

Creditors include amounts not repayable within 5 years as follows:

	2008 £000	2007 £000
Repayable by instalments	<u>39</u>	<u>59</u>

Included above is a loan of £151,000 (2007: £148,000) which is due to a related undertaking and falls due within one to two years.

The bank loan of £137,000 is not wholly repayable within five years. This loan is repayable by quarterly instalments and interest is payable at commercial rates. The bank loan is secured on the freehold property.

**8. Share capital**

	2008 £000	2007 £000
<b>Authorised, allotted, called up and fully paid</b>		
10,000 'A' Ordinary shares of £1 each	10	10
10,000 'B' Ordinary shares of £1 each	10	10
	<u>20</u>	<u>20</u>

The 'A' and 'B' shares have equal rights.

**9. Reserves**

	Revaluation reserve £000	Profit and loss account £000
At 1 October 2007	156	111
Profit for the year	-	15
Deficit on revaluation of freehold property	(50)	-
	<u>106</u>	<u>126</u>
At 30 September 2008		

**Notes to the financial statements**  
**For the year ended 30 September 2008**

**10. Related party transactions**

All of the directors are directors of Gardenbook Holdings Limited. At 30 September 2008 there was an amount of £151,000 (2007: £nil) owed by the company to Gardenbook Holdings Limited.

M B Owen and A R Lovelady are directors of Ethel Austin Properties Holdings Limited. At 30 September 2007 there was an amount of £148,000 due to Ethel Austin Properties Holdings Limited which was repaid in the year.

Interest charged in respect of this loan amount to £10,000 (2007: £10,000).

**11. Ultimate parent undertaking and controlling party**

The company is a wholly owned subsidiary of Gardenbook Holdings Limited, which does not prepare group accounts.