

Hemnall Limited
REPORT AND FINANCIAL STATEMENTS
For the year ended
31 August 2012



Company Registration No 07342913

Hemnall Limited

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Hemnall Limited

COMPANY INFORMATION

DIRECTOR

J A Clarke

COMPANY NUMBER

07342913

REGISTERED OFFICE

Sealand House
Hemnall Street
Epping
Essex
CM16 4LG

AUDITOR

Baker Tilly UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Hemnall Limited

DIRECTOR'S REPORT

The director submits his report and the financial statements of Hemnall Limited for the year ended 31 August 2012

PRINCIPAL ACTIVITY

The principal activity of the company during the year is the provision of loan finance to associated entities

DIRECTOR

The following director has held office since incorporation

J A Clarke

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITOR

The director has confirmed that, as far as he is aware, there is no relevant audit information of which he is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director, in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

By order of the Board



J A Clarke
Director

15 August 2013

Hemnall Limited

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 those financial statements, the director is required to

- a Select suitable accounting policies and then apply them consistently,
- b Make judgements and accounting estimates that are reasonable and prudent,
- c Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEMNALL LIMITED

We have audited the financial statements on pages 5 to 11. 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 director and auditor

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is 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

A description of the scope of an audit of financial statements is provided on the APB'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 August 2012 and of its profit 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.

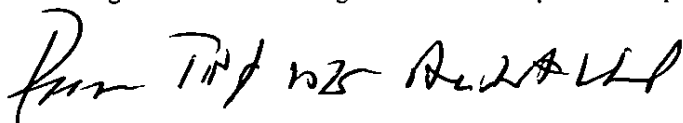
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's 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 director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the director's report.



DAVID FENTON (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Date

15/8/2013

Hemnall Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2012

	<i>Notes</i>	2012 £	2011 £
Turnover		1,508,640	228,605
Interest payable to related entity		(1,198,229)	-
Administrative expenses		(15,130)	(1,050)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	295,281	227,555
Taxation	3	(141,736)	-
PROFIT FOR THE FINANCIAL YEAR	9	153,545	227,555

The profit for the year was derived from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented, as all such gains and losses are included in the Profit and Loss Account

Hemnall Limited

BALANCE SHEET

as at 31 August 2012

Company Registration No 07342913

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	4	50	50
CURRENT ASSETS			
Debtors	5	27,274,769	13,978,643
CREDITORS Amounts falling due within one year	6	(26,893,718)	(1,100)
NET CURRENT ASSETS		381,051	13,977,543
TOTAL ASSETS LESS CURRENT LIABILITIES		381,101	13,977,593
CREDITORS Amounts falling due after more than one year	7	-	(13,750,037)
NET ASSETS		381,101	227,556
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	9	381,100	227,555
SHAREHOLDERS' FUNDS	10	381,101	227,556

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

The financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on 15 August 2013 and are signed on its behalf by

J A Clarke
Director

Hemnall Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

TURNOVER

Turnover relates to the interest received from the provision of loan finance

GOING CONCERN

The financial statements have been prepared on the going concern basis. The director of Clarke International Limited (a company under common control) has confirmed that they will continue to provide financial support for the foreseeable future to enable the company to meet its obligations as they fall due and will not request payment of amounts owed until the company is in a position to do so.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing 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 is measured on a non-discounted basis.

INVESTMENTS

Fixed asset investments are stated at cost less any diminution in value.

Hemnall Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2012

1 DIRECTORS AND EMPLOYEES

The company did not have any employees during the year The director did not receive any remuneration for his services during the year

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2012 £	2011 £
	Profit on ordinary activities is stated after charging Auditor's remuneration for statutory audit	3,800	200
		<hr/>	<hr/>
3	TAXATION	2012 £	2011 £
	Current tax		
	UK corporation tax on profits of current year	246,274	-
	Total current tax	<hr/> 246,274	<hr/> -
	Deferred tax		
	Origination and reversal of timing differences	(166,456)	-
	Adjustments in respect of prior periods	61,918	-
		<hr/> (104,538)	<hr/> -
	Tax on profit on ordinary activities	<hr/> 141,736	<hr/> -
		<hr/>	<hr/>
	Factors affecting tax charge for the year		
	The tax assessed for the year is higher than the average standards rate of corporation tax in the UK of 25 16% (2011 27 12%) The differences are explained below		
	Profit on ordinary activities before tax	295,281	227,555
		<hr/>	<hr/>
	Profit on ordinary activities multiplied by average standard rate of corporation tax in the UK of 25 16% (2011 27 21%)the standard rate of corporation tax for small companies 20% (2012 20%)	74,304	61,911
	Expenses not deductible for tax purposes	239	-
	Utilisation of tax losses and other deductions	(21,822)	-
	Share of results of fixed asset investments recognized for tax purposes	193,553	-
	Amount unprovided	-	(61,911)
		<hr/>	<hr/>
	Current tax charge for the year	<hr/> 246,274	<hr/> -
		<hr/>	<hr/>

Hemnall Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2012

4 FIXED ASSET INVESTMENTS

	Unlisted Investment £	Total £
Cost or valuation At 31 August 2012	50	50

The investment is in respect of 50% of the ordinary share capital of Mura Estates (London) Limited, a company incorporated in the United Kingdom

	2012 £	2011 £
Aggregate capital and reserves Mura Estates (London) Limited	(305)	1
Loss for the year Mura Estates (London) Limited	(306)	(99)

The company also has a 50% interest in the following entities at the year end, all of which are incorporated in the United Kingdom

Entity Name	Aggregate capital and reserves £	Profit/(loss) for the year £
10 Scriven Street LLP*	-	683,789
29 Eagle Wharf Road LLP*	-	735,428
101 - 109 Fairfield Road LLP*	-	(318,413)
R/O Old Park Road LLP*	-	(29,473)
2 - 6 Cropley Street LLP*	-	(48,674)
71-75 Chevening Road LLP*	-	1,023,692
55 Dalston Lane LLP*	-	(62,594)
Mura Freeholds Limited*	2,050	2,053
Mura Estates LLP	-	25,053
63 Christchurch Avenue LLP*	-	143,669
11-15 Colonnade LLP*	-	(302,239)
1 Shorrolds Road LLP*	-	(14,958)
24-28 Warner Street LLP*	-	(129,402)
90 Whiston Road LLP*	-	(36,819)
213-217 Bow Road LLP*	-	(3)
87-95 Curtain Road LLP*	-	(213,525)

*Indirect holding through Mura Estates LLP

Hemnall Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2012

5	DEBTORS	2012 £	2011 £
	Amounts due from associated entities	27,170,230	13,978,642
	Other debtor	1	1
	Deferred tax asset (see note 11)	104,538	-
		<u>27,274,769</u>	<u>13,978,643</u>
6	CREDITORS Amounts falling due within one year	2012 £	2011 £
	Amounts due to related entity	26,631,214	-
	Amounts owed to associated company	50	50
	Corporation tax payable	246,274	-
	Accruals	16,180	1,050
		<u>26,893,718</u>	<u>1,100</u>
7	CREDITORS Amounts falling due after more than one year	2012 £	2011 £
	Amounts due to related entity	-	13,750,037
8	SHARE CAPITAL	2012 £	2011 £
	Allotted, issued and unpaid 1 ordinary share of £1	1	1
9	PROFIT AND LOSS ACCOUNT	2012 £	2011 £
	31 August 2011	227,555	-
	Profit for the financial year	153,545	227,555
	31 August 2012	<u>381,100</u>	<u>227,555</u>
10	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2012 £	2011 £
	Opening shareholders' funds	227,556	-
	Profit for the financial year	153,545	227,555
	Issue of share capital	-	1
	Net increase in shareholders' funds	<u>153,545</u>	<u>227,556</u>
	Shareholders' funds at 31 August 2012	<u>381,101</u>	<u>227,556</u>

Hemnall Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2012

11	DEFERRED TAX	2012 £	2011 £
	Balance at 1 September 2011	-	-
	Transfer to profit and loss account	104,538	-
	Balance at 31 August 2012	104,538	-
	The deferred tax asset is made up as follows		
	Income from fixed asset investments taxed but not yet recognised	104,538	-

12 RELATED PARTY TRANSACTIONS

During the year ended 31 August 2012, Hemnall Limited advanced funds totalling £11,892,376 (2011 £13,750,037) to Mura Estates LLP and a number of Limited Liability Partnerships for property development purposes. These entities are majority owned by Mura Estates LLP of which Hemnall Limited is a designated member. Interest accrues at a rate of 3 months LIBOR plus 7% on group amounts below £10m and 3 months LIBOR plus 9% on amounts in excess of £10m, by way of a priority share of any profit realised from property development activities to which advances relate. Should the property development activities not realise any profit, then interest will only accrue at the rate of 3 months LIBOR plus 3%. This amount is guaranteed by third parties. The total amount outstanding at 31 August 2012 was £27,169,248 (2011 £13,978,306). Interest accrued in the year amounted to £1,508,640 (2011 £228,605).

During the year ended 31 August 2012, Hemnall Limited advanced funds of £330 to Mura Freeholds Limited leaving a balance at 31 August 2012 of £517 (2011 £187). No interest accrues on this balance. Hemnall Limited is a designated member of Mura Estates LLP, which wholly owns Mura Freeholds Limited.

During the year ended 31 August 2012, Hemnall Limited advanced funds of £317 to Mura Estates (London) Limited leaving a balance at 31 August 2012 of £466 (2011 £149). No interest accrues on this balance. Hemnall Limited holds 50% shares in Mura Estates (London) Limited.

During the year ended 31 August 2012 the company received loans and advances totalling £11,892,576 (2011 £13,750,037) from Clarke International Limited a company in which J A Clarke holds 77% of the share capital and is a director. Interest is due at 7% per annum above UK Sterling 3 month LIBOR on amounts below £10m and 3 months LIBOR plus 9% on amounts in excess of £10m by way of a priority share of profit realised by Hemnall Limited from its loans to its joint venture property development Limited Liability Partnerships. The amount outstanding at 31 August 2012 was £26,631,214 (2011 £13,750,037). Interest accrued in the year amounted to £1,198,229 (2011 £Nil).

13 CONTROLLING PARTY

The company is controlled by the director, J A Clarke