

REGISTERED NUMBER 3118389 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 30 April 2012
for
Jones Homes (Southern) Limited



Jones Homes (Southern) Limited (Registered number 3118389)

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for the Year Ended 30 April 2012

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Jones Homes (Southern) Limited
Company Information
for the Year Ended 30 April 2012

DIRECTORS

P E Jones
A J White
L D Marshall
J R Claber
J R Humber
M E Jones
A E Jones
J R Siddaway
Ms S J Stanhope

SECRETARY

Ms A C Weatherby

REGISTERED OFFICE:

Emerson House
Heyes Lane
Alderley Edge
Cheshire
SK9 7LF

REGISTERED NUMBER:

3118389 (England and Wales)

AUDITOR

PKF (UK) LLP
Statutory Auditor
3 Hardman Street
Spinningfields
Manchester - UK
M3 3HF

Jones Homes (Southern) Limited (Registered number. 3118389)

Report of the Directors
for the Year Ended 30 April 2012

The Directors present their annual report together with the audited accounts for the year ended 30 April 2012

RESULTS FOR THE YEAR

The net profit for the year was £1,088,194 (2011 £53,958) The Directors recommend that the profit be transferred to reserves

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development

REVIEW OF BUSINESS

During the year the company financially completed the sales of 40 properties The Directors expect the level of business to increase in the current year

BUSINESS RISK

There are a variety of business risks with most of the company's activity in the field of speculative housing development, where the availability of land, planning and environmental matters, and market circumstances are major factors of concern The Directors routinely manage risks and have continued to adopt a detailed review process at all levels of the business to monitor and control business risk Overall the Directors continue to consider that the policies and monitoring systems which are in place and which have been reviewed throughout the year remain sufficient to effectively manage the risks associated with the business

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2012

DIRECTORS

The Directors who served during the year were as follows

P E Jones (Deputy Chairman)
A J White (Chairman)
L D Marshall
J R Claber
J R Humber
M E Jones
A E Jones
P Prince (resigned 31 August 2011)
J Siddaway
Ms S Stanhope

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Jones Homes (Southern) Limited (Registered number, 3118389)

Report of the Directors
for the Year Ended 30 April 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

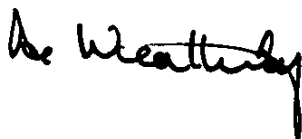
In so far as each of the Directors is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

In accordance with section 487 of the Companies Act 2006, PKF (UK) LLP, Registered Auditor, is deemed re-appointed as auditor for the succeeding year.

ON BEHALF OF THE BOARD.

Ms A C Weatherby - Secretary



Date 26 October 2012

**Independent Auditor's Report to the Members of
Jones Homes (Southern) Limited**

We have audited the financial statements of Jones Homes (Southern) Limited for the year ended 30 April 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 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 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

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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 April 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 Report of the Directors 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.

PKF (UK) LLP.

Timothy Entwistle (Senior Statutory Auditor)
for and on behalf of PKF (UK) LLP
Statutory Auditor
Manchester - UK

Date: 26 October 2012

Jones Homes (Southern) Limited (Registered number 3118389)

Profit and Loss Account
for the Year Ended 30 April 2012

	Notes	2012 £	2011 £
TURNOVER	2	11,242,311	6,524,892
Cost of sales		<u>(8,038,089)</u>	<u>(4,975,344)</u>
GROSS PROFIT		3,204,222	1,549,548
Administrative expenses		<u>(1,394,968)</u>	<u>(1,191,730)</u>
OPERATING PROFIT	5	1,809,254	357,818
Interest payable and similar charges	6	<u>(342,662)</u>	<u>(282,039)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,466,592	75,779
Tax on profit on ordinary activities	7	<u>(378,398)</u>	<u>(21 821)</u>
PROFIT FOR THE FINANCIAL YEAR		1,088,194	53,958
Retained profit brought forward		<u>8,752,944</u>	<u>8,698,986</u>
RETAINED PROFIT CARRIED FORWARD		<u>9,841,138</u>	<u>8,752,944</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

Jones Homes (Southern) Limited (Registered number, 3118389)

Balance Sheet
30 April 2012

	Notes	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	8		161,383		115,943
CURRENT ASSETS					
Stocks	9	21,593,625		22,609,272	
Debtors	10	729,369		663,905	
Cash at bank and in hand		<u>1,985,831</u>		<u>850</u>	
		24,308,825		23,274,027	
CREDITORS					
Amounts falling due within one year	11	<u>13,979,083</u>		<u>13,834,972</u>	
NET CURRENT ASSETS			<u>10,329,742</u>		<u>9,439,055</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,491,125		9,554,998
PROVISIONS FOR LIABILITIES	13		<u>649,985</u>		<u>802,052</u>
NET ASSETS			<u><u>9,841,140</u></u>		<u><u>8,752,946</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		2		2
Profit and loss account			<u>9,841,138</u>		<u>8,752,944</u>
SHAREHOLDERS' FUNDS	17		<u><u>9,841,140</u></u>		<u><u>8,752,946</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 26 October 2012 and were signed on its behalf by



P E Jones - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 April 2012

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts are prepared under the historic cost convention and in accordance with applicable accounting standards

Cash flow statement

Advantage has been taken of the exemption in Financial Reporting Standard Number 1 from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset less its residual value on a straight line basis as follows

Freehold land 0% per annum

Plant and equipment 15% per annum

Ground rents are capitalised at four years' income and are not amortised, as it is considered that they have an indefinite useful life. The Directors have included capitalised ground rents within tangible fixed assets

Stocks

Stock is valued at the lower of cost and net realisable value. Cost of sites in progress represents direct cost including attributable overheads but excluding finance charges

Deferred taxation

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, with the exception of capitalised interest where it is offset by the benefit of indexation allowance. Deferred tax is not provided on timing differences arising from the revaluation of investment properties or other tangible fixed assets where there is no commitment to sell the assets. Deferred tax assets are only recognised to the extent that they are prudently considered recoverable, and are not discounted

Pension costs

Pension costs in respect of the Group's defined contribution pension scheme are charged to the profit and loss account in the period for which contributions are payable

2 TURNOVER

Turnover comprises invoiced sales for the year, including land sales

Jones Homes (Southern) Limited (Registered number 3118389)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

3 STAFF COSTS

	2012 £	2011 £
Staff costs during the year were		
Wages and salaries	1,317,728	1,136,370
Social security costs	145,433	122,069
Other pension costs	48,337	41,642
	<u>1,511,498</u>	<u>1,300,081</u>

	No	No
The average monthly number of persons employed by the company during the year was	<u>31</u>	<u>28</u>

4 DIRECTORS' EMOLUMENTS

	2012 £	2011 £
Aggregate of emoluments and other benefits	460,333	444,466
Pension contributions	32,216	28,171
	<u>492,549</u>	<u>472,637</u>

The number of Directors to whom benefits are accruing under money purchase pension schemes is three (2011 two) The highest paid Director received emoluments and benefits of £215,353 (2011 £188,541), and pension contributions of £21,306 (2011 £20,686)

5 OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation - owned assets	<u>22,877</u>	<u>18,746</u>
and is after crediting		
Rental income	<u>20,627</u>	<u>36,787</u>

Auditor's remuneration is borne by the ultimate parent company

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank interest payable	<u>342,662</u>	<u>282,039</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
Corporation tax - prior year	(329)	-
Group relief - current year	<u>378,727</u>	<u>21,821</u>
Tax on profit on ordinary activities	<u><u>378,398</u></u>	<u><u>21,821</u></u>

UK corporation tax was charged at 25.84% (2011 - 27.83%)

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,466,592</u>	<u>75,779</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.84% (2011 - 27.83%)	378,967	21,089
Effects of		
Permanent differences	265	1,191
Tax losses and other timing differences	(505)	(459)
Prior year adjustment	(329)	-
Current tax charge	<u><u>378,398</u></u>	<u><u>21,821</u></u>

Factors that may affect future tax charges

The full potential asset for deferred taxation relating to timing differences not provided for in the accounts is as follows

Expenditure allowed in other accounting periods	2,067	1,503
Accelerated capital allowances	<u>4,220</u>	<u>5,812</u>
	<u><u>6,287</u></u>	<u><u>7,315</u></u>

Jones Homes (Southern) Limited (Registered number. 3118389)

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2012**

8 TANGIBLE FIXED ASSETS

	Freehold land £	Plant and machinery £	Totals £
COST			
At 1 May 2011	62,400	158,778	221,178
Additions	4,480	63,837	68,317
At 30 April 2012	<u>66,880</u>	<u>222,615</u>	<u>289,495</u>
DEPRECIATION			
At 1 May 2011	-	105,235	105,235
Charge for year	-	22,877	22,877
At 30 April 2012	<u>-</u>	<u>128,112</u>	<u>128,112</u>
NET BOOK VALUE			
At 30 April 2012	<u>66,880</u>	<u>94,503</u>	<u>161,383</u>
At 30 April 2011	<u>62,400</u>	<u>53,543</u>	<u>115,943</u>

Freehold land is not depreciated

9 STOCKS

	2012 £	2011 £
Land stocks	13,495,616	15,044,621
Work-in-progress	8,014,964	7,474,154
Other stocks	83,045	90,497
	<u>21,593,625</u>	<u>22,609,272</u>

10 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	609,382	405,307
Amounts owed by group undertakings	13,650	13,600
Other debtors	95,337	60,615
Corporation tax recoverable	-	174,383
Prepayments and accrued income	<u>11,000</u>	<u>10,000</u>
	<u>729,369</u>	<u>663,905</u>

Trade debtors representing amounts due under the HomeBuy Direct scheme, Jones HomeBuy scheme and FirstBuy scheme, are secured on the properties concerned, and will be realised over a period in excess of one year

Jones Homes (Southern) Limited (Registered number 3118389)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank overdrafts (see note 12)	-	12,277,236
Trade creditors	193,894	152,529
Amounts owed to group undertakings	13,059,082	824,488
Social security and other taxes	11,770	7,216
Other creditors	305,490	211,744
Accruals and deferred income	408,847	361,759
	<u>13,979,083</u>	<u>13,834,972</u>

Bank loans and overdrafts are secured on certain assets of the company

12 BANK OVERDRAFTS

An analysis of the maturity of bank overdrafts is given below

	2012	2011
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>-</u>	<u>12,277,236</u>

13 PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Other provisions		
Site completion costs	<u>649,985</u>	<u>802,052</u>
		Other provisions
		£
Balance at 1 May 2011		802,052
Additional provisions		470,743
Amounts used		<u>(622,810)</u>
Balance at 30 April 2012		<u>649,985</u>

Provisions have been recognised in respect of site completion costs. It is expected that most of this expenditure will be incurred during the next two years, and all will be incurred within the next four years.

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2012	2011
Number	Class	Nominal value	£	£
		£1	2	2
2	Ordinary		<u>2</u>	<u>2</u>

Jones Homes (Southern) Limited (Registered number 3118389)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2012

15 ULTIMATE PARENT COMPANY

The company's parent company and controlling party is PE Jones (Contractors) Limited, a company incorporated in England

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff

16 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption conferred on 100% subsidiaries by FRS 8, in relation to transactions with Group companies

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	1,088,194	53,958
Net addition to shareholders' funds	<u>1,088,194</u>	<u>53,958</u>
Opening shareholders' funds	8,752,946	8,698,988
Closing shareholders' funds	<u><u>9,841,140</u></u>	<u><u>8,752,946</u></u>