

Jones Homes (Southern) Limited

Report and Accounts

Year Ended 30 April 2008

Company registration number 3118389

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Jones Homes (Southern) Limited

Report and Accounts

Year Ended 30 April 2008

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Jones Homes (Southern) Limited

Report of the Directors

Year Ended 30 April 2008

The Directors present their annual report together with the audited accounts for the year ended 30 April 2008

1 Results and Dividends

The net profit for the year was £1,794,425 The Directors recommend that no dividend be paid

2 Principal Activities and Operational Performance Review

The company's principal activity during the year was property development During the year the company financially completed the sale of 55 properties The Directors consider both the level of business and the financial position of the company at 30 April 2008 to be satisfactory and expect the present level of activity to continue in the current financial year

3 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 risks 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

4 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 Humber	
M E Jones	
A E Jones	
P Prince	
J Siddaway	

Jones Homes (Southern) Limited

Report of the Directors

Year Ended 30 April 2008

5 Statement of Directors' Responsibilities

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 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 judgements and estimates that are reasonable and prudent,
- state whether applicable 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.

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.


6 Information given to the 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.

This report was approved by the Board on 30 October 2008 and signed on its behalf

A Weatherby
Company Secretary



Jones Homes (Southern) Limited

Profit and Loss Account

Year Ended 30 April 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
Turnover	1	14,624,413	15,446,445
Cost of sales		(10,029,453)	(11,438,511)
Gross profit		4,594,960	4,007,934
Net operating expenses	2	(1,307,619)	(1,250,261)
Operating profit		3,287,341	2,757,673
Interest payable	5	(721,531)	(984,079)
Profit on ordinary activities before taxation	6	2,565,810	1,773,594
Tax on profit on ordinary activities	7	(771,385)	(506,621)
Profit for the financial year after taxation		1,794,425	1,266,973
Retained profit brought forward		6,665,202	5,398,229
Retained profit carried forward		<u>8,459,627</u>	<u>6,665,202</u>

The above figures relate exclusively to continuing operations

The company has no recognised gains or losses or movements in shareholders' funds other than the profit for the year

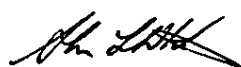
Jones Homes (Southern) Limited

Balance Sheet

As at 30 April 2008

	<u>Notes</u>	<u>2008</u> £	<u>2008</u> £	<u>2007</u> £	<u>2007</u> £
Fixed Assets					
Tangible fixed assets	8		129,962		116,191
			<hr/>		<hr/>
			129,962		116,191
Current Assets					
Stocks	9	20,216,228		22,658,512	
Debtors	10	95,035		81,413	
Cash		850		850	
		<hr/>		<hr/>	
		20,312,113		22,740,775	
Current Liabilities					
Creditors amounts falling due within one year	11	11,599,806		15,869,213	
		<hr/>		<hr/>	
Net Current Assets			8,712,307		6,871,562
Provisions for liabilities	12		(382,640)		(322,549)
			<hr/>		<hr/>
Net Assets			<u>8,459,629</u>		<u>6,665,204</u>
Capital and Reserves					
Called up share capital	13		2		2
Profit and loss account			8,459,627		6,665,202
			<hr/>		<hr/>
Shareholders' Funds			<u>8,459,629</u>		<u>6,665,204</u>

The financial statements were approved and authorised for issue by the Board and signed on its behalf on 30 October 2008



A J White
Director

Jones Homes (Southern) Limited

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items considered material to the company's affairs

Basis of accounting

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

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

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

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

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. Deferred tax assets are only recognised to the extent that they are prudently considered recoverable

Jones Homes (Southern) Limited

Notes to the Accounts

1 Turnover

Turnover comprises invoiced sales for the year, including land sales

	<u>2008</u> £	<u>2007</u> £
2 <u>Operating costs</u>		
Administration costs	1,357,614	1,296,007
Other operating income	(49,995)	(45,746)
	<hr/>	<hr/>
	<u>1,307,619</u>	<u>1,250,261</u>

3 Employees

Staff costs during the year were

Wages and salaries	1,397,272	1,209,418
Social security costs	150,760	130,269
Other pension costs	42,171	40,116
	<hr/>	<hr/>
	<u>1,590,203</u>	<u>1,379,803</u>
	No	No

The average weekly number of persons employed by the company during the year was

<u>38</u>	<u>35</u>
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	<u>2008</u> £	<u>2007</u> £
4 <u>Directors' emoluments</u>		
Aggregate of emoluments and other benefits	383,206	356,343
Pension contributions	25,020	23,160
	<hr/>	<hr/>
	<u>408,226</u>	<u>379,503</u>

The number of Directors to whom benefits are accruing under money purchase pension schemes is two (2007 two) The highest paid Director received emoluments and benefits of £205,426 (2007 £185,267), and pension contributions of £18,300 (2007 £16,920)

5 Interest payable

Bank and short term loan interest	<u>721,531</u>	<u>984,079</u>
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Jones Homes (Southern) Limited

Notes to the Accounts

	<u>2008</u> £	<u>2007</u> £
6 Profit on ordinary activities before taxation		
is after charging		
Depreciation	<u>30,931</u>	<u>32,007</u>
and is after crediting		
Rental income	<u>28,634</u>	<u>26,846</u>
Auditors' remuneration is borne by the ultimate parent company		
7 Tax on profit on ordinary activities		
Current year corporation tax at 30%	837	795
Current year group relief	770,548	530,616
Prior year group relief	0	(24,790)
	<u>771,385</u>	<u>506,621</u>
Tax reconciliation		
Profit on ordinary activities before tax	<u>2,565,810</u>	<u>1,773,594</u>
Tax on profit on ordinary activities at standard UK corporation tax rate 30%	769,743	532,078
Overprovision in prior years	0	(24,790)
Permanent differences	467	466
Tax losses and other timing differences	1,588	(678)
Difference in actual tax rate	(413)	(455)
Total taxation	<u>771,385</u>	<u>506,621</u>
The full potential asset/(liability) for deferred taxation relating to timing differences not provided for in the accounts is as follows		
Expenditure allowed in other accounting periods	3,300	24,933
Accelerated capital allowances	2,213	(95)
	<u>5,513</u>	<u>24,838</u>

Jones Homes (Southern) Limited

Notes to the Accounts

8 Tangible fixed assets

	Freehold land £	Plant and equipment £	Total £
<u>Cost</u>			
At 1 May 2007	44,820	283,896	328,716
Additions	21,240	23,478	44,718
Disposals	0	(28,657)	(28,657)
At 30 April 2008	66,060	278,717	344,777
<u>Depreciation</u>			
At 1 May 2007	0	212,525	212,525
Charge for the year	0	30,931	30,931
Disposals	0	(28,641)	(28,641)
At 30 April 2008	0	214,815	214,815
<u>Net Book Value</u>			
As at 30 April 2008	66,060	63,902	129,962
As at 30 April 2007	44,820	71,371	116,191
	<u>2008</u> £		<u>2007</u> £

9 Stocks

Land	14,353,589	16,863,651
Work in progress	5,772,981	5,743,597
Other stocks	89,658	51,264
	<u>20,216,228</u>	<u>22,658,512</u>

Jones Homes (Southern) Limited

Notes to the Accounts

	<u>2008</u> £	<u>2007</u> £
10 Debtors		
Amounts falling due within one year		
Amounts owed by group undertakings	0	0
Other debtors	77,035	73,643
Prepayments	18,000	7,770
	<hr/>	<hr/>
	<u>95,035</u>	<u>81,413</u>
11 Creditors amounts falling due within one year		
Bank loans and overdrafts	9,185,030	13,570,244
Trade creditors	179,885	165,266
Amounts owed to group undertakings	1,406,431	1,166,498
Corporation tax payable	837	795
Taxation and social security	3,558	2,841
Other creditors	410,216	296,792
Accruals	413,849	666,777
	<hr/>	<hr/>
	<u>11,599,806</u>	<u>15,869,213</u>

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

12 Provisions for liabilities

	£
At 1 May 2007	322,549
Additional provisions	253,923
Amounts used	(168,323)
Amount released unused	(25,509)
	<hr/>
At 30 April 2008	<u>382,640</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.

Jones Homes (Southern) Limited

Notes to the Accounts

13 Called up share capital

	Authorised £	Allotted and fully paid £
Ordinary shares of £1 each	<u>10,000</u>	<u>2</u>

There was no change in share capital during the year

14 Profit and loss account

The movement on the profit and loss account is shown on page 3

15 Parent undertaking and controlling party

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 parties

The company has taken advantage of the exemption conferred on 90% subsidiaries by FRS 8, in relation to transactions with Group companies

Jones Homes (Southern) Limited

Independent Auditors' 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 2008 which comprise the profit and loss account, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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 annual report and the financial statements in accordance with applicable law and United Kingdom 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 have been 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 judgements 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 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.

Jones Homes (Southern) Limited

Independent Auditors' Report to the Members of

Jones Homes (Southern) Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 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

PKF (UK) LLP.

PKF (UK) LLP
Registered Auditors
Manchester (UK)
30 October 2008