

**Jones Homes (Southern) Limited**

**Report and Accounts**

**Year Ended 30 April 2009**

Company registration number 3118389



# **Jones Homes (Southern) Limited**

## **Report and Accounts**

**Year Ended 30 April 2009**

### **Contents**

#### **Page**

- 1 Report of the Directors
- 3 Profit and Loss Account
- 4 Balance Sheet
- 5 Statement of Accounting Policies
- 6 Notes to the Accounts
- 11 Report of the Independent Auditors

# **Jones Homes (Southern) Limited**

## **Report of the Directors**

### **Year Ended 30 April 2009**

The Directors present their annual report together with the audited accounts for the year ended 30 April 2009.

#### **1 Results and Dividends**

The net loss for the year was £412,007. 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 16 properties. The Directors expect the level of business to increase in the current 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. Claber	(appointed 11 June 2009)
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 2009**

### **5 Statement of Directors' Responsibilities**

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 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 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.

### **6 Information given to the Auditors**

So as 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.

### **7 Auditors**

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

This report was approved by the Board on 27 October 2009 and signed on its behalf.

  
A. Weatherby  
Company Secretary

# **Jones Homes (Southern) Limited**

## **Profit and Loss Account**

**Year Ended 30 April 2009**

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
Turnover	1	4,640,287	14,624,413
Cost of sales		(3,387,437)	(10,029,453)
Gross profit		1,252,850	4,594,960
Net operating expenses	2	(1,300,160)	(1,307,619)
Operating (loss)/profit		(47,310)	3,287,341
Interest payable	5	(539,080)	(721,531)
(Loss)/profit on ordinary activities before taxation	6	(586,390)	2,565,810
Tax on (loss)/profit on ordinary activities	7	174,383	(771,385)
(Loss)/profit for the financial year after taxation		(412,007)	1,794,425
Retained profit brought forward		8,459,627	6,665,202
Retained profit carried forward		<u>8,047,620</u>	<u>8,459,627</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 (loss)/profit for the year.

# **Jones Homes (Southern) Limited**

## **Balance Sheet as at 30 April 2009**

**Company registration number 3118389**

	<u>Notes</u>	<u>2009</u> £	<u>2009</u> £	<u>2008</u> £	<u>2008</u> £
<b>Fixed Assets</b>					
Tangible fixed assets	8		94,728		129,962
			<hr/>		<hr/>
			94,728		129,962
<b>Current Assets</b>					
Stocks	9	24,723,139		20,216,228	
Debtors	10	216,752		95,035	
Cash		850		850	
		<hr/>		<hr/>	
		24,940,741		20,312,113	
<b>Current Liabilities</b>					
Creditors: amounts falling due within one year	11	16,751,032		11,599,806	
		<hr/>		<hr/>	
<b>Net Current Assets</b>			8,189,709		8,712,307
<b>Provisions for liabilities</b>	12		(236,815)		(382,640)
			<hr/>		<hr/>
<b>Net Assets</b>			<u>8,047,622</u>		<u>8,459,629</u>
<b>Capital and Reserves</b>					
Called up share capital	13		2		2
Profit and loss account			8,047,620		8,459,627
			<hr/>		<hr/>
<b>Shareholders' Funds</b>			<u>8,047,622</u>		<u>8,459,629</u>

The financial statements were approved and authorised for issue by the Board and signed on its behalf on 27 October 2009



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>2009</u> £	<u>2008</u> £
<b>2 <u>Operating costs</u></b>		
Administration costs	1,328,485	1,357,614
Other operating income	(28,325)	(49,995)
	<hr/> 1,300,160 <hr/>	<hr/> 1,307,619 <hr/>

### **3 Employees**

Staff costs during the year were:

Wages and salaries	1,182,383	1,397,272
Social security costs	125,812	150,760
Other pension costs	43,950	42,171
	<hr/> 1,352,145 <hr/>	<hr/> 1,590,203 <hr/>

No.

No.

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

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### **4 Directors' emoluments**

	<u>2009</u> £	<u>2008</u> £
Aggregate of emoluments and other benefits	358,164	383,206
Pension contributions	26,566	25,020
	<hr/> 384,730 <hr/>	<hr/> 408,226 <hr/>

The number of Directors to whom benefits are accruing under money purchase pension schemes is two (2008: two). The highest paid Director received emoluments and benefits of £178,700 (2008: £205,426), and pension contributions of £19,500 (2008: £18,300).

### **5 Interest payable**

Bank and short term loan interest	<hr/> 539,080 <hr/>	<hr/> 721,531 <hr/>
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# **Jones Homes (Southern) Limited**

## **Notes to the Accounts**

	<u>2009</u> £	<u>2008</u> £
<b>6 <u>(Loss)/profit on ordinary activities before taxation</u></b>		
is after charging:		
Depreciation	<u>23,167</u>	<u>30,931</u>
and is after crediting:		
Rental income	<u>25,871</u>	<u>28,634</u>
Auditors' remuneration is borne by the ultimate parent company.		
<b>7 <u>Tax on (loss)/profit on ordinary activities</u></b>		
Current year: corporation tax at 28% (2008: 30%)	(174,383)	837
Current year: group relief	0	770,548
	<u>(174,383)</u>	<u>771,385</u>
Tax reconciliation:		
(Loss)/profit on ordinary activities before tax	<u>(586,390)</u>	<u>2,565,810</u>
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate 28% (2008: 30%)	(164,189)	769,743
Permanent differences	224	467
Tax losses and other timing differences	313	1,588
Difference in actual tax rate	(10,731)	(413)
Total taxation	<u>(174,383)</u>	<u>771,385</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	896	3,300
Accelerated capital allowances	4,552	2,213
	<u>5,448</u>	<u>5,513</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 2008	66,060	278,717	344,777
Additions	1,540	0	1,540
Disposals	0	(11,462)	(11,462)
Transfers to group undertakings	(13,600)	0	(13,600)
At 30 April 2009	54,000	267,255	321,255
<u>Depreciation</u>			
At 1 May 2008	0	214,815	214,815
Charge for the year	0	23,167	23,167
Disposals	0	(11,455)	(11,455)
At 30 April 2009	0	226,527	226,527
<u>Net Book Value</u>			
As at 30 April 2009	54,000	40,728	94,728
As at 30 April 2008	66,060	63,902	129,962
	<u>2009</u> £		<u>2008</u> £

### **9 Stocks**

Land	16,800,064	14,353,589
Work in progress	7,806,731	5,772,981
Other stocks	116,344	89,658
	<u>24,723,139</u>	<u>20,216,228</u>

# Jones Homes (Southern) Limited

## Notes to the Accounts

	<u>2009</u> £	<u>2008</u> £
<b>10 Debtors</b>		
Amounts falling due within one year		
Amounts owed by group undertakings	13,600	0
Other debtors	20,269	77,035
Prepayments	8,500	18,000
Corporation tax recoverable	174,383	0
	<hr/> 216,752 <hr/>	<hr/> 95,035 <hr/>

### **11 Creditors: amounts falling due within one year**

Bank loans and overdrafts	13,920,372	9,185,030
Trade creditors	148,844	179,885
Amounts owed to group undertakings	234,998	1,406,431
Corporation tax payable	0	837
Taxation and social security	4,828	3,558
Other creditors	2,280,531	410,216
Accruals	161,459	413,849
	<hr/> 16,751,032 <hr/>	<hr/> 11,599,806 <hr/>

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

### **12 Provisions for liabilities**

	£
At 1 May 2008	382,640
Additional provisions	204,025
Amounts used	(319,221)
Amount released unused	(30,629)
	<hr/>
At 30 April 2009	<hr/> 236,815 <hr/>

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 100% 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 2009 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 sections 495 and 496 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 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**

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 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**

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.

#### **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 2009 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.

#### **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 auditors

Manchester  
27 October 2009