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REGISTERED NUMBER. 2865466 (England and Wales)

VILLAGE DEVELOPMENTS PLC

Report of the Directors and

Financial Statements

for the Year Ended 31st July 2007

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Contents of the Financial Statements
for the Year Ended 31st July 2007

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10
Notes to the Financial Statements	12
Consolidated Trading and Profit and Loss Account	22

VILLAGE DEVELOPMENTS PLC

Company Information
for the Year Ended 31st July 2007

DIRECTORS:

N C Greenhalgh
M S Greenhalgh

SECRETARY:

M S Greenhalgh

REGISTERED OFFICE

Harewood House
Outwood Lane
Outwood
Surrey
RH1 5PN

REGISTERED NUMBER.

2865466 (England and Wales)

AUDITORS:

The Bailey Partnership
Chartered Accountants
Registered Auditors
Sterling House
27 Hatchlands Road
Redhill
Surrey
RH1 6RW

VILLAGE DEVELOPMENTS PLC

Report of the Directors **for the Year Ended 31st July 2007**

The directors present their report with the financial statements of the company and the group for the year ended 31st July 2007

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements

DIVIDENDS

No dividends will be distributed for the year ended 31st July 2007

DIRECTORS

The directors shown below have held office during the whole of the period from 1st August 2006 to the date of this report

N C Greenhalgh
M S Greenhalgh

GROUP'S POLICY ON PAYMENT OF CREDITORS

The group's policy is to agree terms of supply with its suppliers at the start of the trading relationship and to pay suppliers in accordance with those agreed terms. At 31 July 2007 the group had an average of 36 days (2006 38 days) purchases outstanding in trade creditors

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period the group made charitable donations of £21,865 (2006 £4,660)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 the group and of the profit or loss of the group 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,
- 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 which disclose with reasonable accuracy at any time the financial position of the company and the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and each director has taken all the 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 group's auditors are aware of that information

VILLAGE DEVELOPMENTS PLC

Report of the Directors
for the Year Ended 31st July 2007

AUDITORS

The auditors, The Bailey Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

N C Greenhalgh - Director

Date

5/6/08

Report of the Independent Auditors to the Members of Village Developments Plc

We have audited the financial statements of Village Developments Plc for the year ended 31st July 2007 on pages six to twenty one. These 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 Report of the Directors 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 Report of the Directors 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 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.

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 affairs of the company and the group as at 31st July 2007 and of the loss of the group 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 Report of the Directors is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Village Developments Plc**

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the going concern basis of preparing the financial statements. The financial statements do not include any adjustments that would result from a failure to obtain planning. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.

The Bailey Partnership

The Bailey Partnership
Chartered Accountants
Registered Auditors
Sterling House
27 Hatchlands Road
Redhill
Surrey
RH1 6RW

Date

5/6/08

VILLAGE DEVELOPMENTS PLC**Consolidated Profit and Loss Account**
for the Year Ended 31st July 2007

	Notes	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
TURNOVER		11,978,484	4,108,278
Cost of sales		12,022,181	3,320,779
GROSS (LOSS)/PROFIT		(43,697)	787,499
Administrative expenses		604,255	325,580
OPERATING (LOSS)/PROFIT	3	(647,952)	461,919
Interest receivable and similar income		3,339	5,908
		(644,613)	467,827
Interest payable and similar charges	4	3,162	1,048
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(647,775)	466,779
Tax on (loss)/profit on ordinary activities	5	(196,765)	217,101
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(451,010)	249,678

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the loss for the current year and the profit for the previous period

VILLAGE DEVELOPMENTS PLC**Consolidated Balance Sheet**
31st July 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	910,210	964,484
Tangible assets	9	72,898	47,690
Investments	10	-	-
		<u>983,108</u>	<u>1,012,174</u>
CURRENT ASSETS			
Stocks	11	3,984,087	6,429,631
Debtors	12	2,307,234	1,248,529
Cash at bank and in hand		128,158	52,309
		<u>6,419,479</u>	<u>7,730,469</u>
CREDITORS			
Amounts falling due within one year	13	<u>7,573,672</u>	<u>8,496,876</u>
NET CURRENT LIABILITIES		<u>(1,154,193)</u>	<u>(766,407)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(171,085)</u>	<u>245,767</u>
CREDITORS			
Amounts falling due after more than one year	14	<u>34,480</u>	<u>322</u>
NET (LIABILITIES)/ASSETS		<u><u>(205,565)</u></u>	<u><u>245,445</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	50,000	50,000
Profit and loss account	19	<u>(255,565)</u>	<u>195,445</u>
SHAREHOLDERS' FUNDS	20	<u><u>(205,565)</u></u>	<u><u>245,445</u></u>

The financial statements were approved by the Board of Directors on ...
on its behalf by

5/6/08

and were signed

N C Greenhalgh Director

The notes form part of these financial statements

VILLAGE DEVELOPMENTS PLC**Company Balance Sheet**
31st July 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	72,898	47,690
Investments	10	850,100	850,100
		<u>922,998</u>	<u>897,790</u>
CURRENT ASSETS			
Stocks	11	3,969,087	6,414,631
Debtors	12	2,188,669	1,485,536
Cash at bank and in hand		128,147	52,208
		<u>6,285,903</u>	<u>7,952,375</u>
CREDITORS			
Amounts falling due within one year	13	7,458,559	8,515,634
NET CURRENT LIABILITIES		<u>(1,172,656)</u>	<u>(563,259)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(249,658)</u>	<u>334,531</u>
CREDITORS			
Amounts falling due after more than one year	14	34,480	322
NET (LIABILITIES)/ASSETS		<u><u>(284,138)</u></u>	<u><u>334,209</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	50,000	50,000
Profit and loss account	19	(334,138)	284,209
SHAREHOLDERS' FUNDS	20	<u><u>(284,138)</u></u>	<u><u>334,209</u></u>

The financial statements were approved by the Board of Directors on
on its behalf by

5/6/08

and were signed

N C Greenhalgh - Director

The notes form part of these financial statements

VILLAGE DEVELOPMENTS PLC**Cash Flow Statement
for the Year Ended 31st July 2007**

	Notes	Year Ended 31 7 07		Period 1 1 06 to 31 7 06	
		£	£	£	£
Net cash inflow from operating activities	1		475,757		165,493
Returns on investments and servicing of finance	2		177		4,860
Taxation			(393,862)		3,002
Capital expenditure	2		(52,647)		(10,824)
Equity dividends paid			-		(100,000)
			29,425		62,531
Financing	2		46,424		19,137
Increase in cash in the period			75,849		81,668
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		75,849		81,668	
Cash outflow from decrease in debt and lease financing		570,900		385,050	
Change in net debt resulting from cash flows			646,749		466,718
Movement in net debt in the period			646,749		466,718
Net debt at 1st August			(5,288,548)		(5,755,266)
Net debt at 31st July			(4,641,799)		(5,288,548)

The notes form part of these financial statements

VILLAGE DEVELOPMENTS PLC

Notes to the Cash Flow Statement **for the Year Ended 31st July 2007**

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
Operating (loss)/profit	(647,952)	461,919
Depreciation charges	81,712	64,174
Decrease/(Increase) in stocks	2,445,544	(625,354)
(Increase)/Decrease in debtors	(1,085,401)	1,553,178
Decrease in creditors	(318,146)	(1,288,424)
Net cash inflow from operating activities	475,757	165,493

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
Returns on investments and servicing of finance		
Interest received	3,339	5,908
Interest paid	(1,799)	-
Interest element of hire purchase payments	(1,363)	(1,048)
Net cash inflow for returns on investments and servicing of finance	177	4,860
Capital expenditure		
Purchase of tangible fixed assets	(52,647)	(10,824)
Net cash outflow for capital expenditure	(52,647)	(10,824)
Financing		
Capital repayments in year	19,728	(8,101)
Amount introduced by directors	26,696	-
Amount withdrawn by directors	-	27,238
Net cash inflow from financing	46,424	19,137

VILLAGE DEVELOPMENTS PLC**Notes to the Cash Flow Statement**
for the Year Ended 31st July 2007**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 8 06 £	Cash flow £	At 31 7 07 £
Net cash			
Cash at bank and in hand	52,309	75,849	128,158
	<u>52,309</u>	<u>75,849</u>	<u>128,158</u>
Debt			
Hire purchase	(21,629)	(19,728)	(41,357)
Debts falling due within one year	<u>(5,319,228)</u>	<u>590,628</u>	<u>(4,728,600)</u>
	<u>(5,340,857)</u>	<u>570,900</u>	<u>(4,769,957)</u>
Total	<u><u>(5,288,548)</u></u>	<u><u>646,749</u></u>	<u><u>(4,641,799)</u></u>

The notes form part of these financial statements

VILLAGE DEVELOPMENTS PLC

Notes to the Financial Statements **for the Year Ended 31st July 2007**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The financial statements have been prepared under the going concern convention. The Directors consider that its land bank and planning applications going through the planning process are sufficient to return the balance sheet to a positive position.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2004, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2 STAFF COSTS

	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
Wages and salaries	60,000	35,000
Social security costs	7,569	3,736
	<u>67,569</u>	<u>38,736</u>

VILLAGE DEVELOPMENTS PLC**Notes to the Financial Statements - continued
for the Year Ended 31st July 2007****2 STAFF COSTS - continued**

The average monthly number of employees during the year was as follows

	Year Ended 31 7 07	Period 1 1 06 to 31 7 06
Administration	10	10
Direct	11	11
	<u>21</u>	<u>21</u>

3 OPERATING (LOSS)/PROFIT

The operating loss (2006 - operating profit) is stated after charging

	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
Depreciation - owned assets	12,303	7,271
Depreciation - assets on hire purchase contracts	15,135	2,629
Goodwill amortisation	54,274	54,274
Auditors' remuneration	<u>8,838</u>	<u>8,000</u>
Directors' emoluments	<u>60,000</u>	<u>35,000</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
Interest on overdue tax	1,799	-
Hire purchase	<u>1,363</u>	<u>1,048</u>
	<u>3,162</u>	<u>1,048</u>

5 TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
Current tax		
UK corporation tax	<u>(196,765)</u>	<u>217,101</u>
Tax on (loss)/profit on ordinary activities	<u>(196,765)</u>	<u>217,101</u>

VILLAGE DEVELOPMENTS PLC**Notes to the Financial Statements - continued
for the Year Ended 31st July 2007****6 LOSS OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(618,347) (2006 - £257,416 profit)

7 DIVIDENDS

	Year Ended 31 7 07 £	Period 1 1 06 to 31 7 06 £
Ordinary shares of £1 each		
Final	-	100,000

8 INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
At 1st August 2006 and 31st July 2007	1,085,486
AMORTISATION	
At 1st August 2006	121,002
Amortisation for year	54,274
At 31st July 2007	175,276
NET BOOK VALUE	
At 31st July 2007	910,210
At 31st July 2006	964,484

VILLAGE DEVELOPMENTS PLC

Notes to the Financial Statements - continued
for the Year Ended 31st July 2007

9 TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st August 2006	8,624	15,047	32,850	76,698	133,219
Additions	2,829	1,285	45,135	3,398	52,647
At 31st July 2007	11,453	16,332	77,985	80,096	185,866
DEPRECIATION					
At 1st August 2006	5,646	11,740	17,451	50,693	85,530
Charge for year	1,452	1,148	15,135	9,703	27,438
At 31st July 2007	7,098	12,888	32,586	60,396	112,968
NET BOOK VALUE					
At 31st July 2007	4,355	3,444	45,399	19,700	72,898
At 31st July 2006	2,978	3,307	15,399	26,005	47,689

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
At 1st August 2006	32,850
Additions	45,135
At 31st July 2007	77,985
DEPRECIATION	
At 1st August 2006	17,451
Charge for year	15,135
At 31st July 2007	32,586
NET BOOK VALUE	
At 31st July 2007	45,399
At 31st July 2006	15,399

VILLAGE DEVELOPMENTS PLC

Notes to the Financial Statements - continued
for the Year Ended 31st July 2007

9 TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st August 2006	8,624	15,047	32,850	76,698	133,219
Additions	2,829	1,285	45,135	3,398	52,647
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At 31st July 2007	7,098	12,888	32,586	60,396	112,968
NET BOOK VALUE					
At 31st July 2007	4,355	3,444	45,399	19,700	72,898
At 31st July 2006	2,978	3,307	15,399	26,005	47,689

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
At 1st August 2006	32,850
Additions	45,135
At 31st July 2007	77,985
DEPRECIATION	
At 1st August 2006	17,451
Charge for year	15,135
At 31st July 2007	32,586
NET BOOK VALUE	
At 31st July 2007	45,399
At 31st July 2006	15,399

VILLAGE DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 31st July 2007

10 FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 1st August 2006 and 31st July 2007	850,100
NET BOOK VALUE	
At 31st July 2007	850,100
At 31st July 2006	850,100

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

Portgreen Properties Limited

Nature of business Property development

	% holding	2007 £	2006 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		(85,422)	56,606
(Loss)/Profit for the year/period		(142,028)	46,536

Village Affordable Housing Limited

Nature of business Property development

	% holding	2007 £	2006 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		103,886	(259,754)
Profit for the year/period		363,640	-

11 STOCKS

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Stocks	3,984,087	6,429,631	3,969,087	6,414,631

VILLAGE DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 31st July 2007

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	496,127	717,846	116,129	696,540
Amounts owed by group undertakings	-	-	259,650	257,815
Other debtors	75,788	58,987	75,788	58,781
Amount due from related parties	341,319	20,090	341,319	20,090
Directors' loan accounts	293,642	320,338	293,642	320,338
VAT	45,089	-	46,872	704
Accrued income	1,045,000	120,000	1,045,000	120,000
Prepayments	10,269	11,268	10,269	11,268
	<u>2,307,234</u>	<u>1,248,529</u>	<u>2,188,669</u>	<u>1,485,536</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts (see note 15)	4,728,600	5,319,228	4,728,600	4,478,806
Hire purchase contracts (see note 16)	6,877	21,307	6,877	21,307
Trade creditors	998,185	640,883	998,185	640,883
Amounts owed to group undertakings	-	-	218,019	1,779,038
Tax	38,613	368,765	24,237	357,849
Social security and other taxes	156,153	115,980	156,153	115,980
VAT	-	1,473	-	-
Other creditors	596,069	1,121,499	596,069	480,708
Accrued expenses	1,049,175	907,741	730,419	641,063
	<u>7,573,672</u>	<u>8,496,876</u>	<u>7,458,559</u>	<u>8,515,634</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Hire purchase contracts (see note 16)	<u>34,480</u>	<u>322</u>	<u>34,480</u>	<u>322</u>

15 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	<u>4,728,600</u>	<u>5,319,228</u>	<u>4,728,600</u>	<u>4,478,806</u>

VILLAGE DEVELOPMENTS PLC**Notes to the Financial Statements - continued
for the Year Ended 31st July 2007****16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS****Group**

	Hire purchase contracts	
	2007 £	2006 £
Gross obligations repayable		
Within one year	9,728	21,814
Between one and five years	37,431	373
	<u>47,159</u>	<u>22,187</u>
Finance charges repayable		
Within one year	2,851	507
Between one and five years	2,951	51
	<u>5,802</u>	<u>558</u>
Net obligations repayable		
Within one year	6,877	21,307
Between one and five years	34,480	322
	<u>41,357</u>	<u>21,629</u>

Company

	Hire purchase contracts	
	2007 £	2006 £
Gross obligations repayable		
Within one year	9,728	21,814
Between one and five years	37,431	373
	<u>47,159</u>	<u>22,187</u>
Finance charges repayable		
Within one year	2,851	507
Between one and five years	2,951	51
	<u>5,802</u>	<u>558</u>
Net obligations repayable		
Within one year	6,877	21,307
Between one and five years	34,480	322
	<u>41,357</u>	<u>21,629</u>

VILLAGE DEVELOPMENTS PLC

Notes to the Financial Statements - continued for the Year Ended 31st July 2007

17 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans	<u>4,728,600</u>	<u>5,319,228</u>	<u>4,728,600</u>	<u>4,478,806</u>

18 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

19 RESERVES

Group

	Profit and loss account £
At 1st August 2006	195,445
Deficit for the year	<u>(451,010)</u>
At 31st July 2007	<u>(255,565)</u>

Company

	Profit and loss account £
At 1st August 2006	284,209
Deficit for the year	<u>(618,347)</u>
At 31st July 2007	<u>(334,138)</u>

VILLAGE DEVELOPMENTS PLC

Notes to the Financial Statements - continued
for the Year Ended 31st July 2007

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2007 £	2006 £
(Loss)/Profit for the financial year	(451,010)	249,678
Dividends	-	(100,000)
Net (reduction)/addition to shareholders' funds	(451,010)	149,678
Opening shareholders' funds	245,445	95,767
Closing shareholders' funds	(205,565)	245,445

Company

	2007 £	2006 £
(Loss)/Profit for the financial year	(618,347)	257,416
Dividends	-	(100,000)
Net (reduction)/addition to shareholders' funds	(618,347)	157,416
Opening shareholders' funds	334,209	176,793
Closing shareholders' funds	(284,138)	334,209