

Company Registration No. 04804367 (England and Wales)

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2009**



# HAZELTON HOMES (EAST MIDLANDS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr T.R. Hazelton Mr S.R. Hazelton
<b>Secretary</b>	Mr S.R. Hazelton
<b>Company number</b>	04804367
<b>Registered office</b>	Estate Office Rushton Hall Rushton Northamptonshire NN14 1RR
<b>Auditors</b>	HLB Vantis Audit plc Stoughton House Harborough Road Oadby Leicester LE2 4LP
<b>Bankers</b>	Bank of Scotland 14 Friar Lane Leicester LE1 5RA
<b>Solicitors</b>	Spearing Waite 41 Friar Lane Leicester LE1 5RB

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# HAZELTON HOMES (EAST MIDLANDS) LIMITED

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# HAZELTON HOMES (EAST MIDLANDS) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2009

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The directors present their report and consolidated financial statements for the year ended 31 August 2009.

#### Principal activities

The principal activity of the company continued to be that of the development of residential property

The principal activity of the subsidiary company, Hazelton Homes Limited, continued to be that of the development of residential property

#### Review of the business

The group has had a very difficult year due to the current economic climate and difficulties in the residential market. The directors have taken steps during the year to reduce the group's stock levels of properties and the group's short term debt. This has been reflected in the current year's results which have shown an increase in the group's turnover but at a significant loss on sale of these properties. This was mainly caused by a high level of developed stock at the end of August 2008, which was sold at a loss.

The directors believe that the action taken by them during the year leaves the group in a stronger position to purchase sites to develop while the prices are suppressed and to improve the performance of the group in the forthcoming year.

The key financial highlights are as follows:

	<b>2009</b>	<b>2008</b>
Gross (loss)/profit	(£143,803)	£1,173,681
(Loss)/profit on ordinary activities before tax	(£74,956)	£417,700
Shareholders funds	£2,033,012	£2,087,208

The 2008 and 2009 figures are based on the consolidated accounts of the company and its subsidiary company

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, bank and other loans and hire purchases agreements. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest

In respect of the loans these comprise loans from financial institutions and third party investors. The interest rate on the loans are variable and the repayments are flexible with full repayment due before a fixed date. The group manages the liquidity risk by ensuring that there are sufficient funds to meet the payments. The liquidity risk in respect of hire purchase contracts are managed in the same way as loans above.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

# **HAZELTON HOMES (EAST MIDLANDS) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2009**

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#### **Results and dividends**

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

#### **Directors**

The following directors have held office since 1 September 2008.

Mr T.R. Hazelton

Mr S.R. Hazelton

#### **Auditors**

The auditors, HLB Vantis Audit plc, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **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 period. 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 group and of the profit or loss of the group for that period. In preparing those 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 departure disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

#### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr S.R. Hazelton  
**Director**

Date 15 February 2010

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF HAZELTON HOMES (EAST MIDLANDS) LIMITED**

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We have audited the financial statements of Hazelton Homes (East Midlands) Limited for the year ended 31 August 2009 set out on pages 5 to 19. 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 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 the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 accounting policies are appropriate to the group's and parent 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 group's and the parent company's affairs as at 31 August 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matters 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.

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF HAZELTON HOMES (EAST MIDLANDS) LIMITED**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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



**Robert Cant (Senior Statutory Auditor)**  
for and on behalf of HLB Vantis Audit plc

**Chartered Accountants**  
**Statutory Auditor**

18 February 2010

**Stoughton House**  
**Harborough Road**  
**Oadby**  
**Leicester**  
**LE2 4LP**



**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

	Notes	£	2009 £	£	2008 £
Turnover	2		10,112,567		8,035,391
Cost of sales			(10,256,370)		(6,861,710)
<b>Gross (loss)/profit</b>			(143,803)		1,173,681
Administrative expenses			(156,375)		(756,848)
Other operating income			242,882		11,133
<b>Operating (loss)/profit</b>	3		(57,296)		427,966
Other interest receivable and similar income	4		6,016		5,000
Interest payable and similar charges	5		(23,676)		(15,266)
<b>(Loss)/profit on ordinary activities before taxation</b>			(74,956)		417,700
Tax on (loss)/profit on ordinary activities	6		20,760		(117,414)
<b>(Loss)/profit for the year</b>	15		(54,196)		300,286

The profit and loss account has been prepared on the basis that all operations are continuing.

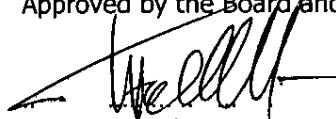
There are no recognised gains and losses other than those passing through the profit and loss account.



**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	7		32,038		45,264
<b>Current assets</b>					
Stocks	9	2,447,311		8,915,999	
Debtors	10	768,433		110,549	
Cash at bank and in hand		1,114,699		-	
		<u>4,330,443</u>		<u>9,026,548</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(929,138)</u>		<u>(4,544,968)</u>	
<b>Net current assets</b>			<u>3,401,305</u>		<u>4,481,580</u>
<b>Total assets less current liabilities</b>			<u>3,433,343</u>		<u>4,526,844</u>
<b>Creditors: amounts falling due after more than one year</b>	12		(1,341,703)		(2,393,483)
<b>Provisions for liabilities</b>	13		(58,628)		(46,153)
			<u>2,033,012</u>		<u>2,087,208</u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account	15		2,032,912		2,087,108
<b>Shareholders' funds</b>	16		<u>2,033,012</u>		<u>2,087,208</u>

Approved by the Board and authorised for issue on 15 February 2010.



Mr T R Hazelton  
**Director**

**Company Registration No. 04804367**

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**COMPANY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	7		2,900		-
Investments	8		2		2
			<u>2,902</u>		<u>2</u>
<b>Current assets</b>					
Stocks	9	1,771,574		-	
Debtors	10	1,094,032		1,556,232	
		<u>2,865,606</u>		<u>1,556,232</u>	
<b>Creditors: amounts falling due within one year</b>	<b>11</b>	<u>(697,255)</u>		<u>(153,632)</u>	
<b>Net current assets</b>			<u>2,168,351</u>		<u>1,402,600</u>
<b>Total assets less current liabilities</b>			<u>2,171,253</u>		<u>1,402,602</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>12</b>		(1,148,607)		(363,349)
<b>Provisions for liabilities</b>	<b>13</b>		<u>(5,000)</u>		<u>(7,500)</u>
			<u>1,017,646</u>		<u>1,031,753</u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account	15		1,017,546		1,031,653
			<u>1,017,646</u>		<u>1,031,753</u>
<b>Shareholders' funds</b>	<b>16</b>		<u>1,017,646</u>		<u>1,031,753</u>

Approved by the Board and authorised for issue on 15 February 2010



Mr T.R. Hazelton  
**Director**

**Company Registration No. 04804367**

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

	2009		2008	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		4,067,546		1,546,057
<b>Returns on investments and servicing of finance</b>				
Interest received	6,016		5,000	
Interest paid	(23,676)		(15,266)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(17,660)		(10,266)
<b>Taxation</b>		(118,231)		(102,645)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(2,900)		(10,500)	
Receipts from sales of tangible assets	3,200		-	
<b>Net cash inflow/(outflow) for capital expenditure</b>		300		(10,500)
<b>Net cash inflow before management of liquid resources and financing</b>		3,931,955		1,422,646
<b>Financing</b>				
New long term other loan	1,259,462		-	
Repayment of long term other loan	(618,950)		-	
Repayment of long term bank loan	(2,594,073)		(840,377)	
Capital element of hire purchase contracts	(13,314)		(13,064)	
<b>Net cash outflow from financing</b>		(1,966,875)		(853,441)
<b>Increase in cash in the year</b>		1,965,080		569,205

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

<b>1</b>	<b>Reconciliation of operating (loss)/profit to net cash inflow from operating activities</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Operating (loss)/profit	(57,296)	427,966
	Depreciation of tangible assets	12,959	8,877
	Profit on disposal of tangible assets	(33)	-
	Decrease in stocks	6,468,688	902,421
	(Increase)/decrease in debtors	(640,319)	349,888
	Decrease in creditors within one year	(1,732,123)	(122,923)
	Increase/(decrease) in provisions	15,670	(20,172)
	<b>Net cash inflow from operating activities</b>	<b>4,067,546</b>	<b>1,546,057</b>
<b>2</b>	<b>Analysis of net (debt)/funds</b>	<b>1 September 2008</b>	<b>Cash flow</b>
		<b>£</b>	<b>£</b>
	<b>Net Cash:</b>		<b>31 August 2009</b>
	Cash at bank and in hand	-	1,114,699
	Bank overdrafts	(851,998)	850,381
		(851,998)	1,965,080
	<b>Debt:</b>		
	Hire purchase contracts	(24,419)	13,314
	Debts falling due within one year	(2,594,073)	2,453,561
	Debts falling due after one year	-	(500,000)
		(2,618,492)	1,966,875
	<b>Net (debt)/funds</b>	<b>(3,470,490)</b>	<b>3,931,955</b>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Increase in cash in the year	1,965,080	569,205
	Cash outflow from decrease in debt and hire purchase contracts	1,966,875	853,441
	<b>Movement in net debt in the year</b>	<b>3,931,955</b>	<b>1,422,646</b>
	Opening net debt	(3,470,490)	(4,893,136)
	<b>Closing net funds/(debt)</b>	<b>461,465</b>	<b>(3,470,490)</b>

# HAZELTON HOMES (EAST MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2009

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **1.2 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 31 August 2009

In accordance with the Companies Act 2006, section 408, a separate profit and loss account of Hazelton Homes (East Midlands) Limited is not presented. The loss after tax for Hazelton Homes (East Midlands) Limited for the year ended 31 August 2009 was £14,107.

##### **1.3 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

##### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT. Turnover for house and flat sales is recognised on legal completion.

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% on cost
Motor vehicles	25% on cost

##### **1.6 Leasing and hire purchase commitments**

Assets obtained by the group under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.7 Investments**

Fixed asset investments are stated at cost less provision for any permanent diminution in value

##### **1.8 Stock and work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

Work in progress includes interest on site specific funding and depreciation on site specific plant and machinery

##### **1.9 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

**2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

<b>3 Operating (loss)/profit</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit is stated after crediting		
Rents receivable	(4,866)	(7,123)
Profit on disposal of tangible assets	(33)	-
	<u>          </u>	<u>          </u>
and after charging		
Fees payable to the company's auditor for the audit of the company's annual accounts	1,500	-
Fees payable to the company's auditor and its associates for other services		
The audit of the company's subsidiary, pursuant to legislation	4,650	2,250
Tax advisory services	1,500	-
Other services	3,659	-
	<u>          </u>	<u>          </u>

Included in work in progress is £117,172 (2008 - £276,504) interest on bank and other loans and £12,959 (2008 - £8,877) depreciation on plant and machinery, specifically for sites under development.

<b>4 Investment income</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank interest	5,687	1,910
Other interest	329	3,090
	<u>          </u>	<u>          </u>
	6,016	5,000
	<u>          </u>	<u>          </u>

<b>5 Interest payable</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	22,176	13,516
Hire purchase interest	1,500	1,750
	<u>          </u>	<u>          </u>
	23,676	15,266
	<u>          </u>	<u>          </u>

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

6	Taxation	2009 £	2008 £
	<b>Domestic current year tax</b>		
	UK corporation tax	(17,565)	118,231
	<b>Current tax charge</b>	(17,565)	118,231
	<b>Deferred tax</b>		
	Deferred tax credit	(3,195)	(817)
		(20,760)	117,414
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(74,956)	417,700
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2008 - 28%)	(15,741)	116,956
	Effects of		
	Non deductible expenses	263	-
	Depreciation in excess of capital allowances	1,668	388
	Other tax adjustments	(3,755)	887
		(1,824)	1,275
	<b>Current tax charge</b>	(17,565)	118,231

7	Tangible fixed assets	Plant & machinery £	Motor vehicles £	Total £
	<b>Group</b>			
	<b>Cost</b>			
	At 1 September 2008	44,380	10,500	54,880
	Additions	-	2,900	2,900
	Disposals	-	(4,000)	(4,000)
	At 31 August 2009	44,380	9,400	53,780
	<b>Depreciation</b>			
	At 1 September 2008	9,616	-	9,616
	On disposals	-	(833)	(833)
	Charge for the year	8,876	4,083	12,959
	At 31 August 2009	18,492	3,250	21,742
	<b>Net book value</b>			
	At 31 August 2009	25,888	6,150	32,038
	At 31 August 2008	34,764	10,500	45,264

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

**7 Tangible fixed assets (continued)**

Included above are assets held under finance leases or hire purchase contracts as follows:

	<b>Plant &amp; machinery £</b>
<b>Net book values</b>	
At 31 August 2009	25,888
At 31 August 2008	<u>34,764</u>
<b>Depreciation charge for the year</b>	
At 31 August 2009	8,876
At 31 August 2008	<u>8,877</u>

<b>Company</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 September 2008	-	-
Additions	2,900	2,900
At 31 August 2009	<u>2,900</u>	<u>2,900</u>
<b>Depreciation</b>		
At 1 September 2008 and 31 August 2009	-	-
<b>Net book value</b>		
At 31 August 2009	<u>2,900</u>	<u>2,900</u>

**8 Fixed asset investments**

	<b>Shares in subsidiary undertakings £</b>
<b>Cost or valuation</b>	
At 1 September 2008 and 31 August 2009	<u>2</u>

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Shares held Class</b>	<b>%</b>
<b>Subsidiary undertaking</b>			
Hazelton Homes Limited	England and Wales	Ordinary	100

The principal business activity of the above company is as stated in the directors' report.

The subsidiary is included in the consolidated financial statements and has a year end accounting date of 31 August 2009



**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

<b>9 Stock</b>	<b>Group 2009 £</b>	<b>Company 2009 £</b>	<b>Group 2008 £</b>	<b>Company 2008 £</b>
Work in progress	2,447,311	1,771,574	8,915,999	-
<b>10 Debtors</b>	<b>Group 2009 £</b>	<b>Company 2009 £</b>	<b>Group 2008 £</b>	<b>Company 2008 £</b>
Trade debtors	4,229	-	2,835	-
Amounts owed by subsidiary undertaking	-	472,194	-	1,278,906
Other debtors	727,283	606,242	105,802	275,414
Prepayments and accrued income	19,356	11,828	1,912	1,912
Corporation tax repayable	17,565	3,768	-	-
	<u>768,433</u>	<u>1,094,032</u>	<u>110,549</u>	<u>1,556,232</u>

Amounts falling due after more than one year and included in the debtors above are:

	<b>Group 2009 £</b>	<b>Company 2009 £</b>	<b>Group 2008 £</b>	<b>Company 2008 £</b>
Amounts owed by subsidiary undertaking	-	472,194	-	1,278,906
Other debtors	378,639	275,935	37,108	275,369
	<u>378,639</u>	<u>748,129</u>	<u>37,108</u>	<u>1,554,275</u>
<b>11 Creditors: amounts falling due within one year</b>	<b>Group 2009 £</b>	<b>Company 2009 £</b>	<b>Group 2008 £</b>	<b>Company 2008 £</b>
Bank loans and overdrafts	1,617	1,617	3,446,071	4
Net obligations under hire purchase contracts	11,105	-	13,224	-
Trade creditors	425,096	211,336	715,611	69,193
Corporation tax	-	-	118,231	9,318
Other taxes and social security costs	4,310	-	11,782	-
Other creditors	441,903	439,195	145,707	10
Accruals and deferred income	45,107	45,107	94,342	75,107
	<u>929,138</u>	<u>697,255</u>	<u>4,544,968</u>	<u>153,632</u>
Debt due in one year or less	<u>140,512</u>	<u>140,512</u>	<u>2,594,073</u>	<u>-</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the group

Other creditors amounting to £140,512 are secured by a fixed charge over the development land of the group.

Net obligations under hire purchase contracts are secured on the assets to which they relate

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
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12 Creditors: amounts falling due after more than one year	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Other loans	500,000	500,000	-	-
Other creditors	841,703	648,607	2,382,288	363,349
Net obligations under hire purchase contracts	-	-	11,195	-
	<u>1,341,703</u>	<u>1,148,607</u>	<u>2,393,483</u>	<u>363,349</u>

**Analysis of loans**

Wholly repayable within five years	640,512	640,512	2,594,073	-
	<u>640,512</u>	<u>640,512</u>	<u>2,594,073</u>	<u>-</u>
Included in current liabilities	(140,512)	(140,512)	(2,594,073)	-
	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>

**Loan maturity analysis**

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
In more than one year but not more than two years	500,000	500,000	-	-
	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>

Other loans are secured by a fixed charge over the development land of the group.

**Net obligations under hire purchase contracts**

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Repayable within one year	11,105	-	13,224	-
Repayable between one and five years	-	-	11,195	-
	<u>11,105</u>	<u>-</u>	<u>24,419</u>	<u>-</u>
Included in liabilities falling due within one year	(11,105)	-	(13,224)	-
	<u>-</u>	<u>-</u>	<u>11,195</u>	<u>-</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
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**13 Provisions for liabilities**

	Group 2009 £	Other Company 2009 £	Deferred tax liability Group 2009 £	Company 2008 £
Balance at 1 September 2008	40,535	7,500	5,618	-
Profit and loss account	15,670	(2,500)	(3,195)	-
Balance at 31 August 2009	<u>56,205</u>	<u>5,000</u>	<u>2,423</u>	<u>-</u>

**The deferred tax liability is made up as follows:**

	Group 2009 £	Group 2008 £
Accelerated capital allowances	<u>2,423</u>	<u>5,618</u>

The other provision relates to a maintenance provision which represents estimated costs on property sold arising under the company's warranty arrangements.

**14 Share capital**

	2009 £	2008 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**15 Statement of movements on profit and loss account on reserves**

	Profit & Loss account	
	Group £	Company £
Balance at 1 September 2008	2,087,108	1,031,653
Retained loss for the year	<u>(54,196)</u>	<u>(14,107)</u>
Balance at 31 August 2009	<u>2,032,912</u>	<u>1,017,546</u>

**16 Reconciliation of movements in shareholders funds**

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
(Loss)/Profit for the financial period	(54,196)	(14,107)	300,286	36,319
Opening shareholders funds	<u>2,087,208</u>	<u>1,031,753</u>	<u>1,786,922</u>	<u>995,434</u>
Closing shareholders funds	<u>2,033,012</u>	<u>1,017,646</u>	<u>2,087,208</u>	<u>1,031,753</u>

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
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**17 Transactions with directors**

**Group and company**

At the start of the year, Mr T.R. Hazelton had a balance on his directors loan account of £nil. During the year there were payments of £285,968 and repayments of £129,735 resulting in a balance outstanding at the year end of £156,233. The loan is interest free.

At the start of the year, Mr S.R. Hazelton had an overdrawn balance on his directors loan account of £nil. During the year there were payments of £218,914 and repayments of £51,811 resulting in a balance outstanding at the year end of £167,103. The loan is interest free.

**18 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the year was:

	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>
Directors	2	2
Management and administration	7	3
Production	2	1
	<hr/>	<hr/>
	11	6
	<hr/>	<hr/>

**Employment costs**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Wages and salaries	106,248	88,473
Social security costs	8,088	6,735
	<hr/>	<hr/>
	114,336	95,208
	<hr/>	<hr/>

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

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**19 Control**

Throughout the current and preceding year, the ultimate controlling party was Mr T R Hazelton by virtue of his majority shareholding.

**20 Related party transactions**

The group has taken advantage of the exemptions under Financial Reporting Standard number 8 not to disclose any transactions or balances between Group entities that have been eliminated on consolidation.

**Group**

H I Limited, Urban Rhythm Limited and Rushton Hall Limited are companies under the control of Mr T R Hazelton and Mr S R. Hazelton

During the year the group sold properties to and purchased cars from companies under common control amounting to £757,000 (2008 - £238,628) and £nil (2008 - £10,500) respectively. In addition the group has made charges to companies under common control amounting to £235,000 (2008 - £nil) for services relating to the recharge of staff costs and overheads incurred on their behalf. During the preceding year a company under common control made charges to the group amounting to £630,000 for management services relating to the recharge of management time, staff costs and overheads incurred on the group's behalf.

During the year a company under common control made payments on behalf of the group and provided funds such that at the year end the group owed £841,703 (2008 - £2,382,288) to this company.

During the year the group made payments on behalf of companies under common control and provided funds such that at the year end the group was owed £99,547 (2008 - £37,108) by these companies.

**Company**

H I Limited, Urban Rhythm Limited and Rushton Hall Limited are companies under the control of Mr T.R. Hazelton and Mr S.R. Hazelton.

During the year a company under common control made charges to the group amounting to £nil (2008 - £20,000) for management services relating to the recharge of management time, staff costs and overheads incurred on the group's behalf

During the year a company under common control made payments on behalf of the company and provided funds such that at the year end the company owed £648,607 (2008 - £363,349) to this company

During the year the company made payments on behalf of a company under common control and provided funds such that at the year end the company was owed £275,935 (2008 - £275,369) by this company

**HAZELTON HOMES (EAST MIDLANDS) LIMITED**  
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**21 Contingent liabilities**

**Group**

During the year, the group has entered into a cross guarantee on the bank borrowings of H I Limited, Rushton Hall Limited and Urban Rhythm Limited. At 31 August 2009 the potential liability was £4,956,000 (2008 - £5,146,970)

**Company**

During the year, the company has entered into a cross guarantee on the bank borrowings of Hazelton Homes Limited, H.I Limited, Rushton Hall Limited and Urban Rhythm Limited At 31 August 2009 the potential liability was £4,956,000 (2008 - £8,592,663).