

Company Registration No. 04804367 (England and Wales)

HAZELTON HOMES (EAST MIDLANDS) LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2010**



HAZELTON HOMES (EAST MIDLANDS) LIMITED

COMPANY INFORMATION

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

HAZELTON HOMES (EAST MIDLANDS) LIMITED

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HAZELTON HOMES (EAST MIDLANDS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2010

The directors present their report and consolidated financial statements for the year ended 31 August 2010.

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 continued to find it challenging to increase sales due to the well-publicised difficulties in the residential housing market. However, following the actions taken by the directors last year to reduce the group's stock levels of properties and a policy of being selective in the developments taken on, the group has returned to profit this year.

The directors continue to be selective on sites purchased and developments undertaken, so that the group will continue to make profits. They are confident that this policy will leave the group in a stronger position to purchase sites to develop, despite downward pressures on prices

The key financial highlights are as follows

	2010	2009	2008
Turnover	£2,118,623	£10,112,567	£8,035,391
Profit/(loss) on ordinary activities before tax	£223,522	(£74,956)	£417,700
Shareholders funds	£2,196,584	£2,033,012	£2,087,208

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, 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 loans with related group company's which are interest free

In respect of the loans from third party investors, the interest rate on these loans are variable and the repayments are due at the date of completion of contract on the development the loan relates to. The group manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

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 2010

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 September 2009

Mr T.R. Hazelton

Mr S.R. Hazelton

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 18-5-2011

HAZELTON HOMES (EAST MIDLANDS) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HAZELTON HOMES (EAST MIDLANDS) LIMITED

We have audited the financial statements of Hazelton Homes (East Midlands) Limited for the year ended 31 August 2010 set out on pages 5 to 18. 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 2, 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 2010 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

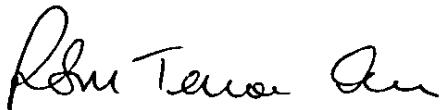
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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 RSM Tenon Audit Limited
Statutory Auditor

20-5-2011

Stoughton House
Harborough Road
Oadby
Leicester
LE2 4LP

HAZELTON HOMES (EAST MIDLANDS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2010

	Notes	£	2010 £	£	2009 £
Turnover	2		2,118,623		10,112,567
Cost of sales			(1,813,504)		(10,256,370)
Gross profit/(loss)			305,119		(143,803)
Administrative expenses			(189,138)		(156,375)
Other operating income			91,553		242,882
Operating profit/(loss)	3		207,534		(57,296)
Other interest receivable and similar income	4		17,572		6,016
Interest payable and similar charges	5		(1,584)		(23,676)
Profit/(loss) on ordinary activities before taxation			223,522		(74,956)
Tax on profit/(loss) on ordinary activities	6		(59,950)		20,760
Profit/(loss) for the year	15		163,572		(54,196)

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 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	7		22,895		32,038
Current assets					
Stocks	9	2,671,218		2,447,311	
Debtors	10	1,098,163		768,433	
Cash at bank and in hand		5,458		1,114,699	
		<u>3,774,839</u>		<u>4,330,443</u>	
Creditors: amounts falling due within one year	11	<u>(1,406,521)</u>		<u>(929,138)</u>	
Net current assets			<u>2,368,318</u>		<u>3,401,305</u>
Total assets less current liabilities			<u>2,391,213</u>		<u>3,433,343</u>
Creditors: amounts falling due after more than one year	12		(172,500)		(1,341,703)
Provisions for liabilities	13		<u>(22,129)</u>		<u>(58,628)</u>
			<u>2,196,584</u>		<u>2,033,012</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		2,196,484		2,032,912
Shareholders' funds	16		<u>2,196,584</u>		<u>2,033,012</u>

Approved by the Board and authorised for issue on 18-5-2011



Mr T R Hazelton
Director

Company Registration No. 04804367

HAZELTON HOMES (EAST MIDLANDS) LIMITED
COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	7		5,883		2,900
Investments	8		2		2
			<u>5,885</u>		<u>2,902</u>
Current assets					
Stocks	9	2,486,347		1,771,574	
Debtors	10	867,714		1,094,032	
Cash at bank and in hand		142		-	
		<u>3,354,203</u>		<u>2,865,606</u>	
Creditors: amounts falling due within one year	11	<u>(1,241,537)</u>		<u>(697,255)</u>	
Net current assets			<u>2,112,666</u>		<u>2,168,351</u>
Total assets less current liabilities			<u>2,118,551</u>		<u>2,171,253</u>
Creditors: amounts falling due after more than one year	12		(990,889)		(1,148,607)
Provisions for liabilities	13		(894)		(5,000)
			<u>1,126,768</u>		<u>1,017,646</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		1,126,668		1,017,546
			<u>1,126,768</u>		<u>1,017,646</u>
Shareholders' funds	16		<u>1,126,768</u>		<u>1,017,646</u>

Approved by the Board and authorised for issue on 18-5-2011.


 Mr T.R. Hazelton
 Director

Company Registration No. 04804367

HAZELTON HOMES (EAST MIDLANDS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2010

	2010		2009	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(1,364,413)		4,067,546
Returns on investments and servicing of finance				
Interest received	17,572		6,016	
Interest paid	(1,584)		(23,676)	
Net cash inflow/(outflow) for returns on investments and servicing of finance		15,988		(17,660)
Taxation		3,768		(118,231)
Capital expenditure				
Payments to acquire tangible assets	(6,350)		(2,900)	
Receipts from sales of tangible assets	-		3,200	
Net cash (outflow)/inflow for capital expenditure		(6,350)		300
Net cash (outflow)/inflow before management of liquid resources and financing		(1,351,007)		3,931,955
Financing				
New long term other loan	635,000		1,259,462	
Repayment of long term other loan	(380,512)		(618,950)	
Repayment of long term bank loan	-		(2,594,073)	
Capital element of hire purchase contracts	(11,105)		(13,314)	
Net cash inflow/(outflow) from financing		243,383		(1,966,875)
(Decrease)/increase in cash in the year		(1,107,624)		1,965,080

HAZELTON HOMES (EAST MIDLANDS) LIMITED
CONSOLIDATED NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2010

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2010	2009
		£	£
	Operating profit/(loss)	207,534	(57,296)
	Depreciation of tangible assets	14,531	12,959
	Loss/(profit) on disposal of tangible assets	962	(33)
	(Increase)/decrease in stocks	(223,907)	6,468,688
	Increase in debtors	(333,498)	(640,319)
	Decrease in creditors within one year	(995,138)	(1,732,123)
	(Decrease)/increase in provisions	(34,897)	15,670
	Net cash (outflow)/inflow from operating activities	(1,364,413)	4,067,546
2	Analysis of net (debt)/funds	1 September	Cash flow
		2009	31 August
		£	2010
			£
	Net Cash:		
	Cash at bank and in hand	1,114,699	(1,109,241)
	Bank overdrafts	(1,617)	1,617
		<u>1,113,082</u>	<u>(1,107,624)</u>
			5,458
	Debt		
	Hire purchase contracts	(11,105)	11,105
	Debts falling due within one year	(140,512)	(581,988)
	Debts falling due after one year	(500,000)	327,500
		<u>(651,617)</u>	<u>(243,383)</u>
			(895,500)
	Net funds/(debt)	<u>461,465</u>	<u>(1,351,007)</u>
			(889,542)
3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Decrease/(increase) in cash in the year	(1,107,624)	1,965,080
	Cash (inflow)/outflow from (increase)/decrease in debt and hire purchase contracts	(243,383)	1,966,875
	Movement in net debt in the year	(1,351,007)	3,931,955
	Opening net funds/(debt)	461,465	(3,470,490)
	Closing net (debt)/funds	(889,542)	461,465

HAZELTON HOMES (EAST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

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 2010

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 profit after tax for Hazelton Homes (East Midlands) Limited for the year ended 31 August 2010 was £105,610.

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
Fixtures, fittings and equipment	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 2010

2 Turnover

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

3 Operating profit/(loss)	2010	2009
	£	£
Operating profit/(loss) is stated after crediting:		
Rents receivable	(479)	(4,866)
Profit on disposal of tangible assets	-	(33)
	<hr/>	<hr/>
and after charging:		
Loss on disposal of fixed asset	962	-
Depreciation of fixed assets	14,531	-
Fees payable to the company's auditor for the audit of the company's annual accounts	4,000	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	6,000	4,650
Tax advisory services	4,925	1,500
Other services	7,500	3,659
	<hr/>	<hr/>

Included in work in progress is £30,373 (2009 - £117,172) interest on bank and other loans and £nil (2009 - £12,959) depreciation on plant and machinery, specifically for sites under development

4 Investment income	2010	2009
	£	£
Bank interest	6,408	5,687
Other interest	11,164	329
	<hr/>	<hr/>
	17,572	6,016
	<hr/>	<hr/>

5 Interest payable	2010	2009
	£	£
On bank loans and overdrafts	323	22,176
Interest on overdue tax	1	-
Hire purchase interest	1,260	1,500
	<hr/>	<hr/>
	1,584	23,676
	<hr/>	<hr/>

HAZELTON HOMES (EAST MIDLANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	UK corporation tax	61,552	(17,565)
	Current tax charge	61,552	(17,565)
	Deferred tax		
	Deferred tax credit	(1,602)	(3,195)
		59,950	(20,760)
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	223,522	(74,956)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2009 - 21%)	62,586	(15,741)
	Effects of		
	Non deductible expenses	369	263
	Depreciation in excess of capital allowances	2,035	1,668
	Other tax adjustments	(3,438)	(3,755)
		(1,034)	(1,824)
	Current tax charge	61,552	(17,565)

7 Tangible fixed assets

Group	Plant & machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2009	44,380	-	9,400	53,780
Additions	-	6,350	-	6,350
Disposals	-	(1,650)	-	(1,650)
At 31 August 2010	44,380	4,700	9,400	58,480
Depreciation				
At 1 September 2009	18,492	-	3,250	21,742
On disposals	-	(688)	-	(688)
Charge for the year	8,876	1,680	3,975	14,531
At 31 August 2010	27,368	992	7,225	35,585
Net book value				
At 31 August 2010	17,012	3,708	2,175	22,895
At 31 August 2009	25,888	-	6,150	32,038

HAZELTON HOMES (EAST MIDLANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

7 Tangible fixed assets (continued)

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

	Plant & machinery £
Net book values	
At 31 August 2010	-
At 31 August 2009	<u>25,888</u>
Depreciation charge for the year	
At 31 August 2010	-
At 31 August 2009	<u>8,876</u>

Company	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 September 2009	-	2,900	2,900
Additions	6,350	-	6,350
Disposals	(1,650)	-	(1,650)
At 31 August 2010	<u>4,700</u>	<u>2,900</u>	<u>7,600</u>
Depreciation			
At 1 September 2009	-	-	-
On disposals	(688)	-	(688)
Charge for the year	1,680	725	2,405
At 31 August 2010	<u>992</u>	<u>725</u>	<u>1,717</u>
Net book value			
At 31 August 2010	<u>3,708</u>	<u>2,175</u>	<u>5,883</u>
At 31 August 2009	<u>-</u>	<u>2,900</u>	<u>2,900</u>

HAZELTON HOMES (EAST MIDLANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

8	Fixed asset investments	Shares in subsidiary undertakings
		£
	Cost or valuation	
	At 1 September 2009 and 31 August 2010	<u>2</u>

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertaking			
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 2010.

9	Stock	Group 2010	Company 2010	Group 2009	Company 2009
		£	£	£	£
	Work in progress	<u>2,671,218</u>	<u>2,486,347</u>	<u>2,447,311</u>	<u>1,771,574</u>
10	Debtors	Group 2010	Company 2010	Group 2009	Company 2009
		£	£	£	£
	Trade debtors	13,830	5,471	4,229	-
	Amounts owed by subsidiary undertaking	-	-	-	472,194
	Other debtors	1,058,904	850,611	727,283	606,242
	Prepayments and accrued income	11,632	11,632	19,356	11,828
	Corporation tax repayable	13,797	-	17,565	3,768
		<u>1,098,163</u>	<u>867,714</u>	<u>768,433</u>	<u>1,094,032</u>

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

	Group 2010	Company 2010	Group 2009	Company 2009
	£	£	£	£
Amounts owed by subsidiary undertaking	-	-	-	472,194
Other debtors	<u>1,038,168</u>	<u>839,875</u>	<u>378,639</u>	<u>275,935</u>
	<u>1,038,168</u>	<u>839,875</u>	<u>378,639</u>	<u>748,129</u>

HAZELTON HOMES (EAST MIDLANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

11 Creditors: amounts falling due within one year	Group 2010	Company 2010	Group 2009	Company 2009
	£	£	£	£
Bank loans and overdrafts	-	-	1,617	1,617
Net obligations under hire purchase contracts	-	-	11,105	-
Trade creditors	409,031	296,491	425,096	211,336
Corporation tax	61,552	40,865	-	-
Other taxes and social security costs	8,742	-	4,310	-
Other creditors	727,404	727,229	440,797	438,089
Directors loan account	139,027	139,027	1,106	1,106
Accruals and deferred income	60,765	37,925	45,107	45,107
	<u>1,406,521</u>	<u>1,241,537</u>	<u>929,138</u>	<u>697,255</u>
Debt due in one year or less	<u>722,500</u>	<u>722,500</u>	<u>140,512</u>	<u>140,512</u>

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

Other creditors amounting to 722,500 (2009 - £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

12 Creditors: amounts falling due after more than one year	Group 2010	Company 2010	Group 2009	Company 2009
	£	£	£	£
Other loans	172,500	172,500	500,000	500,000
Other creditors	-	-	841,703	648,607
Amounts owed to subsidiary undertaking	-	818,389	-	-
	<u>172,500</u>	<u>990,889</u>	<u>1,341,703</u>	<u>1,148,607</u>

Analysis of loans

Wholly repayable within five years	<u>895,000</u>	<u>895,000</u>	<u>640,512</u>	<u>640,512</u>
Included in current liabilities	<u>895,000</u> <u>(722,500)</u>	<u>895,000</u> <u>(722,500)</u>	<u>640,512</u> <u>(140,512)</u>	<u>640,512</u> <u>(140,512)</u>
	<u>172,500</u>	<u>172,500</u>	<u>500,000</u>	<u>500,000</u>

Loan maturity analysis

	Group 2010	Company 2010	Group 2009	Company 2009
	£	£	£	£
In more than one year but not more than two years	<u>172,500</u>	<u>172,500</u>	<u>500,000</u>	<u>500,000</u>

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

HAZELTON HOMES (EAST MIDLANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

13 Provisions for liabilities

	Other		Deferred tax liability	
	Group	Company	Group	Company
	2010	2010	2010	2010
	£	£	£	£
Balance at 1 September 2009	56,205	5,000	2,423	-
Profit and loss account	(34,897)	(4,106)	(1,602)	-
Balance at 31 August 2010	<u>21,308</u>	<u>894</u>	<u>821</u>	<u>-</u>

The deferred tax liability is made up as follows:

	Group	
	2010	2009
	£	£
Accelerated capital allowances	<u>821</u>	<u>2,423</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

	2010	2009
	£	£
Allotted, called up and fully paid		
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 2009	2,032,912	1,017,546
Retained profit for the year	163,572	109,122
Balance at 31 August 2010	<u>2,196,484</u>	<u>1,126,668</u>

16 Reconciliation of movements in shareholders funds

	Group	Company	Group	Company
	2010	2010	2009	2009
	£	£	£	£
Profit/(loss) for the financial period	163,572	109,122	(54,196)	(14,107)
Opening shareholders funds	<u>2,033,012</u>	<u>1,017,646</u>	<u>2,087,208</u>	<u>1,031,753</u>
Closing shareholders funds	<u>2,196,584</u>	<u>1,126,768</u>	<u>2,033,012</u>	<u>1,017,646</u>

HAZELTON HOMES (EAST MIDLANDS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

17 Transactions with directors

Group and company

At the start of the year, Mr S.R Hazelton had an overdrawn balance on his directors loan account of £167,103. During the year there were payments of £32,936 and repayments of £200,951 resulting in a credit balance at the year end of £912. The loan is interest free.

At the start of year, Mr T R Hazelton had an overdrawn balance on his directors account of £156,233. During the year there were payments of £510,510 and repayments of £803,752 resulting in a credit balance at the year end of £137,009. The loan is interest free.

18 Employees

Number of employees

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

	2010	2009
	Number	Number
Directors	2	2
Management and administration	2	7
Production	2	2
	<u>6</u>	<u>11</u>

Employment costs

	2010	2009
	£	£
Wages and salaries	94,605	106,248
Social security costs	9,346	8,088
	<u>103,951</u>	<u>114,336</u>

19 Control

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

HAZELTON HOMES (EAST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

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, Hazelton Homes (Midlands) 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 and provided services to companies under common control amounting to £nil (2009 - £757,000) and £36,360 (2009 - £349) respectively. During the year the group made purchases totalling £1,654 (2009 - £7,098) from companies under common control. In addition the group has made charges to companies under common control amounting to £70,000 (2009 - £235,000) for services relating to the recharge of staff costs and overheads incurred on their 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 £nil (2009 - £841,703) 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 £747,912 (2009 - £99,547) by these companies.

Company

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

During the year the company has made charges to companies under common control amounting to £37,200 (2009 - £nil) for services relating to the recharge of staff costs and overheads incurred on their 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 £nil (2009 - £648,607) 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 £839,875 (2009 - £275,935) by these companies.

21 Contingent liabilities

Group

The group has a cross guarantee on the bank borrowings of H.I Limited, Rushton Hall Limited and Urban Rhythm Limited. At 31 August 2010 the potential liability was £4,613,389 (2009 - £4,956,000).

Company

The company has a cross guarantee on the bank borrowings of Hazelton Homes Limited, H I Limited, Rushton Hall Limited and Urban Rhythm Limited. At 31 August 2010 the potential liability was £4,613,389 (2009 - £4,956,000).