

**PURELAKE NEW HOMES LIMITED****REPORT AND ACCOUNTS****YEAR ENDED 31 DECEMBER 2008**

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
Company Particulars	1
Report of the Directors	2 - 4
Report of the Auditors	5
Profit and Loss Account	6
Profit and Loss Appropriation Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Accounts	10 - 16

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27/07/2009  
COMPANIES HOUSE

**PURELAKE NEW HOMES LIMITED**

Registered in England and Wales No.	2695040
Date of Incorporation	9 March 1992
Directors	B J White Mrs S A White G A Dowd N Convert Miss T A Fleming
Company Secretary	Mrs S A White
Registered Office	Springbank Business Centre 87/89 Springbank Road London SE13 6SS
Auditors	Burrells Accountancy Limited Registered Auditors Jubilee House Jubilee Court Dersingham King's Lynn Norfolk PE31 6HH
Bankers	Barclays Bank plc Maidstone Corporate Banking Centre PO Box 427 Maidstone Kent ME14 1TW  Lloyds TSB Bank plc 15 Blackheath Village Blackheath London SE3 9LH

**PURELAKE NEW HOMES LIMITED****REPORT OF THE DIRECTORS****YEAR ENDED 31 DECEMBER 2008**

The directors have pleasure in presenting their report and the accounts for the year ended 31 December 2008.

**BUSINESS REVIEW**

The principal activity of the company is the construction of new residential property.

There have been no significant changes in the company's principal activities in the year under review and the directors are not aware at the date of this report of any likely changes in the foreseeable future.

The company completed a large speculative development at the beginning of the year which has sold well in addition to completing a number of developments under contract to housing associations. It has commenced new building work during the year on a number of developments and, as a result, there has been an increase in the work in progress at the year end.

The result of the completion of the developments during the year is an increased profit after taxation for the year of £1485156 (2007 - £250937) which was transferred to reserves.

The Balance Sheet shows that the company's financial position at the end of the year is, in net asset terms, strengthening. Details of amounts owed to its parent and from its fellow subsidiary are shown in the notes to the financial statements.

The directors are unaware of any significant events since the Balance Sheet date that should be noted in the financial statements.

The company's key financial performance indicators are those that reflect the financial performance and strength of the company. These include turnover, gross profit percentage, profits after tax and work in progress. Turnover has increased during the year due to the completion of a large site and it is expected to maintain its level next year as further developments are due to be completed. Gross profit has risen as a result of the completed speculative development yielding a better than expected return. Profit after tax has increased as a result of the higher level of yield. Work in progress has increased as a result of the start of the new development work during the year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company is financed by bank loans which is set at base rate plus. The company is, therefore, subject to interest rate uncertainties.

The company is also subject to the uncertainty of the housing market. It has, however, previously been able to sell all developed properties, and it is concentrating on the housing association market where the returns are lower but more certain.

**PURELAKE NEW HOMES LIMITED**

**REPORT OF THE DIRECTORS**

**YEAR ENDED 31 DECEMBER 2008**

**DIVIDENDS**

No interim dividends were paid in the year (2007 - £Nil). The directors do not recommend the payment of a final dividend.

**PARENT COMPANY**

The company is a subsidiary of Purelake Properties Limited which owns 76% of the Ordinary Share Capital (2007 - 76%).

**DIRECTORS**

The directors who served the company during the year were as follows: -

B J White

Mrs S A White

G A Dowd

N Convert

Miss T A Fleming

4  
**PURELAKE NEW HOMES LIMITED**  
**REPORT OF THE DIRECTORS**  
**YEAR ENDED 31 DECEMBER 2008**

**CHARITABLE AND POLITICAL DONATIONS**

The company contributed £2100 during the year (2007 - £2500) to charities in the UK. No payments were made to political parties.

**AUDITORS**

In accordance with Section 384(1) of the Companies Act 1985 a resolution proposing the re-appointment of Burrells Accountancy Limited, Registered Auditors, will be presented at the forthcoming Annual General Meeting.

**DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ACCOUNTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the result for that period.

In preparing the accounts the directors are required to: -

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the accounts on a 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 to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

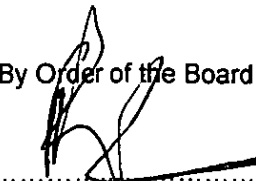
The directors, in determining how amounts are presented within items in the Profit and Loss Account and Balance Sheet, have regard to the substance of the reported transactions or arrangement in accordance with generally accepted accounting principles or practice.

**DISCLOSURE TO AUDITORS**

The following applies in respect of all directors: -

- a) So far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- b) Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board

  
.....  
B J White  
Director

**REPORT OF THE AUDITORS TO**  
**PURELAKE NEW HOMES LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 6 to 16 together with the full financial statements of the company for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

**Responsibilities of Director and Auditors**

The company's directors are responsible for the preparation of abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

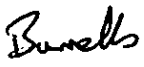
**Basis of Opinion**

We have carried out the procedures we consider necessary to confirm by reference to the audited financial statements that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 6 to 16 are properly prepared in accordance with those provisions.

Jubilee House  
Jubilee Court  
Dersingham  
King's Lynn  
Norfolk  
PE31 6HH

  
Burrells Accountancy Limited  
Registered Auditors  
24 July 2009

**PURELAKE NEW HOMES LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2008**

	<b><u>Notes</u></b>	<b><u>2008</u></b> <b><u>£</u></b>	<b><u>2007</u></b> <b><u>£</u></b>
<b><u>TURNOVER</u></b>		19620292	15234534
<b><u>COST OF SALES</u></b>		16266396	12957770
<b><u>GROSS PROFIT</u></b>		<u>3353896</u>	<u>2276764</u>
<b><u>ADMINISTRATIVE EXPENSES</u></b>		1514342	1743002
		<u>1839554</u>	<u>533762</u>
<b><u>OTHER OPERATING INCOME</u></b>		451541	70920
<b><u>OPERATING PROFIT</u></b>	13	<u>2291095</u>	<u>604682</u>
<b><u>INTEREST PAYABLE AND SIMILAR CHARGES</u></b>	17	195696	285466
<b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>		<u>2095399</u>	<u>319216</u>

**PURELAKE NEW HOMES LIMITED****PROFIT AND LOSS APPROPRIATION ACCOUNT****YEAR ENDED 31 DECEMBER 2008**

	<b><u>Note</u></b>	<b><u>2008</u></b> <b>£</b>	<b><u>2007</u></b> <b>£</b>
<b><u>PROFIT ON ORDINARY ACTIVITIES</u></b> <b><u>BEFORE TAXATION</u></b>		2095399	319216
<b><u>TAXATION</u></b>	16	610243	68279
		<hr/>	<hr/>
<b><u>RETAINED PROFIT</u></b> for year		1485156	250937
<b><u>RETAINED PROFIT</u></b> brought forward		9539157	9288220
<b><u>RETAINED PROFIT</u></b> carried forward		<hr/> 11024313	<hr/> 9539157

**CONTINUING OPERATIONS**

None of the activities of the company were commenced or were discontinued during the current or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

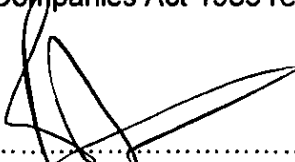
The company has no recognised gains or losses other than the above profits for the current and previous year.



**PURELAKE NEW HOMES LIMITED**  
**BALANCE SHEET - 31 DECEMBER 2008**

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	7	249336	311916
<b><u>CURRENT ASSETS</u></b>			
Stocks and Work in Progress	8	5564786	5335644
Debtors	9	10264104	8156431
Cash at Bank and in Hand		4082	764254
		<u>15832972</u>	<u>14256329</u>
<b><u>CREDITORS</u></b>			
<b><u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	10	4994991	4914783
<b><u>NET CURRENT ASSETS</u></b>		10837981	9341546
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<u>11087317</u>	<u>9653462</u>
<b><u>CREDITORS</u></b>			
<b><u>AMOUNTS FALLING DUE AFTER ONE YEAR</u></b>	11	39474	92105
		<u>11047843</u>	<u>9561357</u>
<b><u>PROVISIONS FOR LIABILITIES</u></b>			
<b><u>AND CHARGES</u></b>	12	13530	12200
		<u>11034313</u>	<u>9549157</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called Up Share Capital	2	10000	10000
Profit and Loss Account		11024313	9539157
		<u>11034313</u>	<u>9549157</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium companies.

  
..... Director  
B J White

..... 15/07/09 .....  
Date

**PURELAKE NEW HOMES LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2008**

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
<b><u>CASH (OUTFLOW)/INFLOW</u></b>			
<b><u>FROM OPERATING ACTIVITIES</u></b>	18	(1491047)	3458990
<b><u>RETURNS ON INVESTMENTS AND</u></b>			
<b><u>SERVICING OF FINANCE</u></b>			
Interest Received	450657		70699
Interest Paid	(195696)		(285466)
<b><u>Net Cash Inflow/(Outflow) from Returns on</u></b>			
<b><u>Investments and Servicing of Finance</u></b>		254961	(214767)
<b><u>TAXATION</u></b>		(15253)	(49226)
<b><u>CAPITAL EXPENDITURE</u></b>			
Payments to Acquire Fixed Assets	(19155)		(193221)
Proceeds of Disposal of Fixed Assets	--		7500
<b><u>Net Cash Outflow from Capital Expenditure</u></b>		(19155)	(185721)
<b><u>FINANCING</u></b>			
Repayment of Loans	(1219953)		(3116860)
Receipts from New Loans	1709750		1046760
Capital Hire Purchase Repayments	(11963)		(13049)
<b><u>Net Cash Inflow/(Outflow) from Financing</u></b>		477834	(2083149)
<b><u>(DECREASE)/INCREASE IN CASH</u></b>		(792660)	926127
<b><u>RECONCILIATION OF NET CASH</u></b>			
<b><u>FLOW TO MOVEMENT IN NET DEBT</u></b>	19		
(Decrease)/Increase in Cash in the Year		(792660)	926127
Capital Hire Purchase Repayments		11963	13049
Repayment of Loans		1219953	3116860
Receipts from New Loans		(1709750)	(1046760)
<b><u>Net Debt as at 1 January 2008 / 2007</u></b>		(1270494) (929133)	3009276 (3938409)
<b><u>Net Debt as at 31 December 2008 / 2007</u></b>		(2199627)	(929133)

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008**1. **PRINCIPAL ACCOUNTING POLICIES**a) **Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice.

b) **Depreciation**

Depreciation is calculated so as to write off the cost of the fixed assets on a reducing balance basis over their expected useful lives. The annual rates used are as follows: -

	<u>%</u>
Motor Vehicles	25
Equipment	25

c) **Work in Progress**

Long-term contracts are valued at cost (including its attributable profit) net of income received. Attributable profit is calculated with reference to the contract value and its level of completion.

All other work in progress is for direct sale and is costed at the lower of cost and net realisable value.

d) **Deferred Taxation**

Provision is made for deferred taxation in respect of timing differences that have originated but not reversed by the Balance Sheet date.

e) **Hire Purchase Commitments**

Assets obtained under Hire Purchase Contracts are capitalised in the Balance Sheet and depreciated over their useful lives. Interest is charged to the Profit and Loss Account over the period of the agreement.

f) **Pension Costs**

The company operates a money purchase pension scheme. Contributions for the period are charged to the Profit and Loss Account as paid.

**11**  
**PURELAKE NEW HOMES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2008**

<b>2.</b>	<b><u>SHARE CAPITAL</u></b>	<b><u>2008 and 2007</u></b>
	Authorised - Ordinary Shares of £1 each	9500
		_____
	Authorised - Ordinary A Shares of £1 each	500
		_____
	Issued and Fully Paid - Ordinary Shares	9500
		_____
	Issued and Fully Paid - Ordinary A Shares	500
		_____

**3. SECURED CREDITORS**

Bank borrowings totalling £287488 (2007 - £1536687) are from Barclays Bank plc and are secured by a fixed charge over specific developments in progress and a floating charge over all other assets.

In addition there are cross guarantees in respect of all group companies, in favour of Barclays Bank plc.

Borrowings from Barclays Bank plc at 31 December 2008 by other group companies were as follows: -

	<u>2008</u>	<u>2007</u>
	£	£
Purelake Properties Limited	6929	—
Purelake Investments Limited	6346755	8335298

Bank borrowings totalling £1810958 (2007 - £Nil) are from Lloyds TSB plc and are secured by a fixed charge over the specific development.

**4. CONTROLLING PARTY**

Mr and Mrs White, directors of the company, are the ultimate controlling party.

**5. HOLDING COMPANY**

The company is a subsidiary of Purelake Properties Limited, a company incorporated in England. At 31 December 2008 the company owed £588804 (2007 - £357865) to the holding company in respect of loan advances which are repayable on demand.

The company paid interest on the loan at the rate it would pay interest to its bankers. The interest for the year ended 31 December 2008 amounted to £25722 (2007 - £30570).

**6. TRANSACTIONS WITH RELATED PARTIES/COMPANIES**

At 31 December 2008 the company was owed £9354514 by Purelake Investments Limited (2007 - £6438247) in respect of loan advances which are repayable on demand.

The company charged interest at a commercial rate and for the year ended 31 December 2008 this amounted to £426697 (2007 - £60156).

The company sold properties to Purelake Investments Limited during the year totalling £1040250 which represents the market value of the property.

The company has a loan from its pension scheme for which the balance at 31 December 2008 is £105263 (2007 - £144737), which is repayable within three years. It attracts interest at a commercial rate and the amount charged for the year ended 31 December 2008 was £8459 (2007 - £13476).

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008****7. TANGIBLE FIXED ASSETS**

	<b><u>Equipment</u></b>	<b><u>Motor Vehicles</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>COST</u></b>			
At 31 December 2007	695247	116297	811544
Additions	5104	14051	19155
At 31 December 2008	<u>700351</u>	<u>130348</u>	<u>830699</u>
<b><u>DEPRECIATION</u></b>			
At 31 December 2007	443013	56615	499628
Charge for Year	63887	17848	81735
At 31 December 2008	<u>506900</u>	<u>74463</u>	<u>581363</u>
<b><u>NET BOOK VALUE</u></b>			
At 31 December 2008	<u>193451</u>	<u>55885</u>	<u>249336</u>
At 31 December 2007	<u>252234</u>	<u>59682</u>	<u>311916</u>

13  
**PURELAKE NEW HOMES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2008**

8.	<b><u>WORK IN PROGRESS</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b>£</b>	<b>£</b>
	Developments in Progress	5564786	5335644
		<hr/>	<hr/>
9.	<b><u>DEBTORS</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b>£</b>	<b>£</b>
	Trade Debtors	699614	1396146
	Taxation and Social Security Costs	96426	224441
	Prepayments	113550	97597
	Amounts Owed by Group Undertaking (Note 6)	9354514	6438247
		<hr/>	<hr/>
		10264104	8156431
		<hr/>	<hr/>
10.	<b><u>CREDITORS</u></b> <b><u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b>£</b>	<b>£</b>
	Bank Overdraft	32488	--
	Bank Loan Instalments	2065958	1536687
	Other Loans (Note 6)	65789	52632
	Hire Purchase Instalments	--	11963
	Trade Creditors	1378535	2286607
	Amounts Owed to Group Undertaking (Note 5)	588804	357865
	Corporation Tax	608913	15253
	Other Taxes and Social Security Costs	79423	284093
	Accruals	62480	25801
	Directors Current Account	112601	343882
		<hr/>	<hr/>
		4994991	4914783
		<hr/>	<hr/>
11.	<b><u>CREDITORS</u></b> <b><u>AMOUNTS FALLING DUE AFTER ONE YEAR</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b>£</b>	<b>£</b>
	Other Loans (Note 6)	39474	92105
		<hr/>	<hr/>
12.	<b><u>PROVISIONS FOR LIABILITIES AND CHARGES</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b>£</b>	<b>£</b>
	Provision for Deferred Taxation	13530	12200
		<hr/>	<hr/>

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008**

13.	<b><u>OPERATING PROFIT</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Depreciation	81735	93460
	Auditors Remuneration		
	- Audit Fee	10900	9250
	- Other Services	27250	26085
14.	<b><u>STAFF COSTS</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Directors Salaries	448049	790000
	Directors Pension Costs	251920	152660
	Other Salaries	1091876	910333
	Social Security Costs	178314	200938
	Employees Pension Scheme	11355	12407
		<u>1981514</u>	<u>2066338</u>

The average weekly number of employees during the year was made up as follows: -

		<b><u>2008</u></b>	<b><u>2007</u></b>
		<b><u>No.</u></b>	<b><u>No.</u></b>
	Directors	5	5
	Site Managers and Labourers	28	26
	Office	7	7
		<u>40</u>	<u>38</u>
15.	<b><u>DIRECTORS EMOLUMENTS</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Aggregate Emoluments	496937	820491
	Pension Contributions	251920	132660
		<u>748857</u>	<u>953151</u>

The emoluments of the highest paid director for the year are £175172 (2007 - £332465).

There are 3 directors benefiting from the Money Purchase Pension Scheme (2007 - 3). Contributions for the year relating to the highest paid director amounted to £172500 (2007 - £69000).

**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008****16. TAXATION**

Corporation Tax has been charged on the profits for the year at a rate of 28.5% (2007 - 19.75%) and amounts to £608913 (2007 - £19753).

The charge in the Profit and Loss Account is made up as follows: -

	<u>2008</u>	<u>2007</u>
	£	£
Mainstream Corporation Tax Payable	608913	19753
Payment to Fellow Subsidiary for Surrender of Losses for the Year	--	49226
Transfer from Deferred Taxation Provision	1330	(700)
	<u>610243</u>	<u>68279</u>

The deferred taxation charge provided for in the accounts is made up as follows: -

	<u>2008</u>	<u>2007</u>
	£	£
Capital Allowances in Advance of Depreciation	13530	12200
	<u>13530</u>	<u>12200</u>

**17. INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>2008</u>	<u>2007</u>
	£	£
Bank Charges	22598	8442
Bank Overdraft and Loan Interest	145813	244804
Interest on Inter Company Loan (Note 5)	25722	30570
Hire Purchase Interest	1563	1650
	<u>195696</u>	<u>285466</u>



**PURELAKE NEW HOMES LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008****18. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b>£</b>	<b>£</b>
Operating Profit	2291095	604682
Depreciation	81735	93460
Interest Received	(450657)	(70699)
(Increase)/Decrease in Work in Progress	(229142)	1676805
(Increase)/Decrease in Debtors	(2107673)	103802
(Decrease)/Increase in Creditors	(1076405)	1050940
Net Cash (Outflow)/Increase from Operating Activities	<u>(1491047)</u>	<u>3458990</u>

**19. ANALYSIS OF CHANGES IN NET DEBT**

	<b><u>As at</u></b>	<b><u>Cash</u></b>	<b><u>Other</u></b>	<b><u>As at</u></b>
	<b><u>31.12.07</u></b>	<b><u>Flow</u></b>	<b><u>Movement</u></b>	<b><u>31.12.08</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank Overdraft	--	(32488)	--	(32488)
Bank and Cash Balances	764254	(760172)	--	4082
		<u>(792660)</u>		
Debt Due Within One Year	(1601282)	(477834)	(52631)	(2131747)
Debt Due After More Than One Year	(92105)	--	52631	(39474)
Total	<u>(929133)</u>	<u>(1270494)</u>	<u>--</u>	<u>(2199627)</u>