

oakus

**Report and
Financial Statements
2008/2009**



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Oakus Estates Limited
(formerly Oakus Wiltshire Ltd)

Annual Report

Year ended 31 March 2009

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Company Information

Directors	Tim Jackson, Vic O'Brien, Bill Fishlock, Derek Rogers, James Williamson (From 01/04/08), Andrew Smith (From 01/04/08), David Ward (From 21/05/08), Daphne Wheeler (to 16 September 2008), Angie Clapp (From 23/10/08), Bob Marshall (From 23/10/08).
Secretary	Tim Jackson
Registered office	Methuen Park, Chippenham, Wiltshire. SN14 0GU
Registered number	03861414
Auditors	Grant Thornton UK LLP Hartwell House 55 – 61 Victoria Street Bristol BS1 6FT
Bankers	National Westminster Bank 30 High Street Chippenham Wiltshire SN15 3HB

Report of the Directors

The directors (or 'the Board') present their report and the audited financial statements for the year ended 31 March 2009.

Principal activities

The principal activities of the company are property development and investment in property for letting. On 12 January 2009 the company changed its name from Oakus Wiltshire Limited to Oakus Estates Limited.

Oakus Estates Ltd ('OEL') is a commercial subsidiary of GreenSquare Group Limited, a charitable Industrial and Provident Society. OEL was established to undertake commercial activities for the Group to make profits to be reinvested in the Group's charitable activities.

OEL's main business is the development of houses for sale on the open market, and the acquisition and management of investment properties for both a revenue and capital gain.

The Board have approved a business plan to include developing properties for sale and the letting of properties for market rent. The Board is also considering activities which are complementary to GreenSquare's aims.

Business review and future developments

As planned, OEL did not construct any development for sale properties during the year due to continuing adverse market conditions. Of the remaining four properties developed in 2007/08, three were sold and one converted to market rent during the first quarter of 2008/09. OEL currently has land for which planning permission is being sought.

OEL started the year holding 28 investment properties, and one property was transferred from development for sale. Planned disposals of investment properties have been placed on hold pending an improvement in the housing market. OEL intends to expand the current portfolio from the first quarter of 2009/10, adding a total of 11 properties over the year. During the year OEL took over the management of a further six Westlea Housing properties bringing the total under management to eight.

The Board monitors performance on the above by looking at monthly management accounts and indicators including net return on investments, voids, arrears and actual cost of development versus budgeted costs.

Overall, OEL made a profit of £52,466 before tax on development property sales, a profit of £40,835 before tax on market renting, received investment income of £45,904, and paid interest of £5,364.

The key risk and influence on performance for sales and rent is a change in the local housing market. The Board receives quarterly updates on the property market during the year and continues to review the investment properties and take appropriate action.

A valuation of all 29 investment properties was carried out on 31 March 2009 by Savills, Chartered Surveyors. As expected all properties experienced a degree of write down, the valuation of the properties remaining in ownership at the year end had decreased by £417,513. This drop has been reflected in the accounts by decreasing the carrying value of the assets and debiting a revaluation reserve.

Employees & Directors

OEL does not directly employ any staff.

Capital structure and treasury

OEL was funded by using £3,514,848 (2008: £3,314,834) in preference and ordinary shares. During the year, Oxford Citizen's Housing Association ("OCHA") invested £200,002 in cash in OEL in return for 200,000 preference shares and 2 ordinary shares, and GreenSquare invested £12 in return for 12 ordinary shares. This is in addition to OEL's original funding of £3,314,834 in return for £1m (2008:

Report of the Directors (Continued)

in cash and the remainder in return for 27 market rent properties from Westlea Housing Association. These preference shares are redeemable and non cumulative.

OEL has obtained loans on commercial terms secured on its assets to further its future activities.

Dividends

The shareholders have formally waived their right to the dividend which they are entitled to via their holding of the preference share capital in the company (2008: £Nil).

Directors

The directors of the company are set out on page 1.

The directors have no beneficial interests in the shares of the company or the ultimate parent company, GreenSquare Group Limited, and no rights to subscribe for shares were granted in the year.

Statement of directors' responsibilities for the financial statements

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

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

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

Approval

The report of the directors was approved by the Board on 15 July 2009 and signed on its behalf by:



T Jackson, Director

Independent Auditors' Report to the Members of Oakus Estates Limited

We have audited the financial statements of Oakus Estates Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 in the Statement of Directors Responsibilities.

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 directors' report 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 directors' report 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 as at 31 March 2009, and of its profit 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 directors' report is consistent with the financial statements.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors, Bristol, England.

Profit and Loss Account

for the year ended 31 March 2009

	Note	2009 £	2008 £
Turnover - continuing operations	1	738,009	2,016,971
Cost of sales		(490,964)	(1,492,658)
		<hr/>	<hr/>
Gross profit		247,045	524,313
Administrative expenses		(153,745)	(144,075)
		<hr/>	<hr/>
Operating profit - continuing operations	2	93,300	380,238
Gift aid covenant		-	(236,700)
Profit on sale of fixed asset investments	3	-	60,430
Interest receivable	4	45,904	50,904
Interest payable	5	(5,364)	(25,624)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		133,840	229,248
Tax on profit on ordinary activities	8	(32,247)	(64,234)
		<hr/>	<hr/>
Profit on ordinary activities after taxation retained for the year	14	101,593	165,014
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of movement in shareholders' funds

for the year ended 31 March 2009

	2009	2008
	£	£
Opening shareholders' funds	4,021,593	3,813,508
Shares issued in the year	200,014	-
Total recognised gains and losses relating to the year	(287,936)	208,085
	<hr/>	<hr/>
Closing shareholders' funds	3,933,671	4,021,593
	<hr/> <hr/>	<hr/> <hr/>

Statement of Total Recognised Gains and Losses

for the year ended 31 March 2009

	2009	2008
	£	£
Profit for the financial year	101,593	165,014
Unrealised (deficit)/surplus on property revaluation	(417,513)	43,071
Gain from appropriation of trading stock	37,843	-
Tax on gain arising from appropriation of trading stock	(9,859)	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(287,936)	208,085
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet

at 31 March 2009

	Note	2009 £	2008 £
Fixed assets			
Investment properties	9	3,257,000	3,494,815
		<hr/>	<hr/>
		3,257,000	3,494,815
		<hr/>	<hr/>
Current assets			
Stocks	10	1,578,130	2,140,597
Debtors	11	162,208	35,737
Cash at bank and in hand		889,007	660,000
		<hr/>	<hr/>
		2,629,345	2,836,334
		(1,952,673)	(1,671,980)
		<hr/>	<hr/>
Net current assets		676,672	1,164,354
		<hr/>	<hr/>
Total assets less current liabilities		3,933,672	4,659,169
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	13	(3,514,832)	(3,952,407)
		<hr/>	<hr/>
Net assets		418,840	706,762
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Share Capital	14	16	2
Profit and loss account	15	353,673	261,939
Revaluation reserve	15	65,151	444,821
		<hr/>	<hr/>
Shareholders' funds		418,840	706,762
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board on 15 July 2009 and signed on its behalf by:



T Jackson
Director and Company Secretary

Notes to the Financial Statements

31 March 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of investment properties. The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including SSAP 19, which unlike the detailed rules of the Companies Act do not require depreciation of freehold and long leasehold investment properties. The lack of depreciation is necessary to give a true and fair view for the reason explained below.

Turnover

Turnover consists of rental income receivable, the invoiced value (excluding VAT) for goods and services supplied in the period under the company's letting activities. It also includes sales of properties developed for sale where the associated income and costs are recognised on the legal completion of the transaction.

Investment properties

The investment properties are held at valuation. Any temporary surplus or deficit on revaluation is transferred to the investment property revaluation reserve. Permanent deficits on individual properties are charged to the profit and loss account which is also credited with any subsequent reversals.

As these properties are held for investment purposes, not consumption, depreciation is not considered to be relevant. In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise be shown cannot be separately identified or quantified.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Land development projects represent costs incurred on those projects not yet recognised for profit purposes, less irrecoverable amounts written off.

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 19 deferred tax is not provided on timing differences arising from:

- a) revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date; and
- b) gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Notes to the Financial Statements

31 March 2009

1. ACCOUNTING POLICIES *continued*

Deferred taxation *continued*

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Related parties

The company has taken advantage of the special exemption for related party disclosures between group companies.

Cash flow statement

The company has taken advantage of the exemption not to prepare a cash flow statement on the basis that it is a wholly-owned subsidiary of GreenSquare Group Limited.

2. OPERATING PROFIT

Operating profit is arrived at after charging:

	2009	2008
	£	£
Auditors' remuneration	4,600	3,929
	<u> </u>	<u> </u>

3. PROFIT ON SALE OF FIXED ASSET INVESTMENTS

	2009	2008
	£	£
Sale proceeds	-	414,956
Costs of sale	-	(354,526)
	<u> </u>	<u> </u>
Profit on sale	-	60,430
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE

	2009	2008
	£	£
Intra – group interest	35,240	22,472
Other interest	10,664	28,432
	<u> </u>	<u> </u>
	45,904	50,904
	<u> </u>	<u> </u>

5. INTEREST PAYABLE

	2009	2008
	£	£
Interest payable - Loan with Triodos	29,373	40,478
Interest payable – Loan with Westlea	50,167	103,776
Less: capitalised interest	(74,176)	(118,630)
	<u> </u>	<u> </u>
	5,364	25,624
	<u> </u>	<u> </u>

Notes to the Financial Statements

31 March 2009

6 EMPLOYEES

The company does not have any employees, apart from its directors. The parent company makes management charges for the company's use of its staff time

7. DIRECTORS

The directors received emoluments of £8,548 during the year (2008: £4,067).

8. TAXATION

(a) Analysis of charge in period

	2009 £	2008 £
Current Tax		
Current tax on income for the year	35,034	71,304
Adjustments in respect of previous periods	(2,787)	(7,070)
	<hr/>	<hr/>
Tax on profit on ordinary activities	32,247	64,234
	<hr/> <hr/>	<hr/> <hr/>

(b) Factors affecting the tax charge for the period

The tax assessed for the year differs to the standard rate of corporation tax in the UK, as explained below:

	2009 £	2008 £
Profit on ordinary activities before taxation	133,840	229,248
	<hr/>	<hr/>
Theoretical tax at 28% (2008: 30%)	37,475	68,775
<i>Effects of:</i>		
- Expenditure that is not allowable for tax purposes	357	1,014
- Difference between accounting and tax profits of sale of properties	-	13,338
- Small companies relief	(2,798)	(11,823)
- Adjustments to previous periods	(2,787)	(7,070)
	<hr/>	<hr/>
Actual current taxation charge	32,247	64,234
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

31 March 2009

9. INVESTMENT PROPERTIES

	£
At 1 April 2008	3,494,815
Additions	141,855
Disposals	-
Revaluation adjustment	(379,670)
	<hr/>
At 31 March 2009	3,257,000
	<hr/> <hr/>

The investment properties were valued in the year by Savills LLP, Chartered Surveyors, on the basis of vacant possession. On an historical cost basis they would have a value of £3,191,849 (2008 £3,049,984)

10. STOCKS

	2009 £	2008 £
Work in progress	1,578,130	2,140,597
	<hr/>	<hr/>

11. DEBTORS

	2009 £	2008 £
Trade debtors	17,840	35,112
Prepayments and accrued income	4,612	625
Amounts due from Group parent and subsidiaries	139,756	-
	<hr/>	<hr/>
	162,208	35,737
	<hr/> <hr/>	<hr/> <hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	3,822	-
Amounts owed to Group parent and subsidiaries	113,458	223,676
Corporation tax	44,893	71,304
Other tax and social security	-	-
Other creditors	29,842	8,519
Accruals and other deferred income	12,183	260,581
Bank loan	640,575	-
Loan from parent undertaking	1,107,900	1,107,900
	<hr/>	<hr/>
	1,952,673	1,671,980
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

31 March 2009

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Preference share capital (see below)	3,514,832	3,314,832
Bank loan	-	637,575
	<u>3,514,832</u>	<u>3,952,407</u>

Loans

The bank loan is secured on certain of the company's investment properties, is repayable by 21 March 2012, with interest being charged at base rate plus 0.9%. This was repaid in full on 09 April 2009.

The loan from the parent undertaking is secured on certain of the company's investment properties, is repayable by 16 March 2011, with interest being charged at base rate plus 0.9%.

14. SHARE CAPITAL

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	100	100
4,500,000 preference shares of £1 each	4,500,000	4,500,000
	<u>4,500,100</u>	<u>4,500,100</u>

	2009 £	2008 £
Allotted and fully paid		
16 ordinary shares of £1 each	16	2
3,514,832 preference shares of £1 each	3,514,832	3,314,832
	<u>3,514,848</u>	<u>3,314,834</u>

The preference shares are non-cumulative, redeemable shares. The company is entitled to redeem the shares at any time. The holder of the shares has the option to redeem the shares twice yearly. The shares must be redeemed no later than 30 years after issue. Holders of preference shares are entitled to be paid a dividend of 4% annually, subject to recommendation by the board and approval of the dividend by the members under ordinary resolution.

In the event of winding up of the company the assets of the company are available for distribution amongst the members including the holders of the preference shares.

During the year, the company allotted 200,000 preference shares and 14 ordinary shares at par.

Notes to the Financial Statements

31 March 2009

15. RESERVES

	Revaluation reserve	Profit and loss account	Total reserves
	£	£	£
At 1 April 2008	444,821	261,939	706,760
Retained profit for the year	-	101,593	101,593
Deficit on revaluation of properties	(379,670)	-	(379,670)
Deferred taxation on appropriation	-	(9,859)	(9,859)
	<hr/>	<hr/>	<hr/>
At 31 March 2009	65,151	353,673	418,824
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is GreenSquare Group Limited which is registered in England and Wales as an Industrial & Provident Society and registered social landlord.

Copies of its Group accounts are available from the registered offices of GreenSquare Group Limited.

The following pages do not form part of the audited statutory financial statements and are for management purposes only

Profit and Loss Account

for the year ended 31 March 2009

For directors' use only

	2009	2008
	£	£
Income		
Property rental income	174,831	128,928
Outright sales	543,429	1,883,151
Other Income	19,749	4,892
	<hr/>	<hr/>
	738,009	2,016,971
	<hr/>	<hr/>
Cost of sales		
Operating costs	44,216	29,512
Outright sale – cost of sales	446,748	1,463,146
Provision for impairment in value of investment properties	-	-
	<hr/>	<hr/>
Gross profit	247,045	524,313
Overheads		
Administration expenses	153,745	144,075
	<hr/>	<hr/>
Operating profit	93,300	380,238
Gift aid covenant	-	236,700
Profit on the sale of fixed asset investments	-	60,430
Interest receivable	45,904	50,904
Interest payable	5,364	25,624
	<hr/>	<hr/>
Profit before taxation	133,840	229,248
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Summary of Overheads

for the year ended 31 March 2009

For directors' use only

	2009	2008
	£	£
Administration expenses		
Recharge to capital	-	35,815
Bank charges	(223)	(3,414)
Admin staff	(50,956)	(63,018)
Management fees	(85,944)	(72,450)
Legal and professional fees	(13,623)	(36,089)
Depreciation and Amortisation	(3000)	-
Sundry property expenses	1	(4,919)
	<hr/>	<hr/>
	(153,745)	(144,075)
	<hr/> <hr/>	<hr/> <hr/>

oakus

Oakus Estates Limited

Registered Office Methuen Park, Chippenham, Wiltshire SN14 0GU • www.oakus.co.uk

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