

MEADINGROW INVESTMENTS LTD

UNAUDITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

MEADINGROW INVESTMENTS LTD
REGISTERED NUMBER: 01312927

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	2014 £
FIXED ASSETS				
Investment property	2		875,909	875,909
CURRENT ASSETS				
Debtors		23,079	10,061	
Cash at bank		165,354	121,284	
		188,433	131,345	
CREDITORS: amounts falling due within one year		(330,791)	(325,229)	
NET CURRENT LIABILITIES			(142,358)	(193,884)
NET ASSETS			733,551	682,025
CAPITAL AND RESERVES				
Called up share capital	3		100	100
Other reserves			13,075	13,075
Profit and loss account			720,376	668,850
SHAREHOLDERS' FUNDS			733,551	682,025

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2015 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 9 November 2015.

A J W Macdonald
Director

E A Macdonald
Director

The notes on pages 2 to 3 form part of these financial statements.

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover is accounted for on the basis of cash received, as adjusted for the amount accrued at the beginning and end of the year in respect of rental income and associated fees. The turnover was derived from activities carried out wholly within the UK.

1.3 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

2. INVESTMENT PROPERTY

	£
Valuation	
At 1 April 2014 and 31 March 2015	<u>875,909</u>
Comprising	
Cost	<u>875,909</u>
At 31 March 2015	<u>875,909</u>

The 2015 valuations were made by the directors, on an open market value for existing use basis.

MEADINGROW INVESTMENTS LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

2. INVESTMENT PROPERTY (continued)

INVESTMENT PROPERTY BASIS OF VALUATION

The investment property comprises the freehold interest relating to several blocks of flats, which were developed in the 1970's and then let on long leases with low ground rents, the freehold of two shops which are let, and one small office building forming an integral part of a fairly modern office development, currently p a r t l y v a c a n t .

From time to time a few leaseholders of the blocks of flats have sought to extend their leases, and when they have done so the income from fees paid for lease extension has been reported as income. The company has no control over when such transactions occur nor indeed over whether there will be such transactions in future, although the Directors consider it quite likely that there may be some. The company also owns the freehold of individual garages associated with those blocks of flats, which are let to the leaseholders at rents which are reviewed periodically, but which also carry onerous maintenance obligations. Hence the market value of these properties is a function of the relatively low income derived from them and does not increase significantly with the passage of time, although it is affected by the market's perception of prospective long term interest rates and by the possibility that leaseholders may seek lease extensions. However those factors affecting valuation were also present when these properties were purchased and the potential number of lease extensions has reduced materially since that time, as a result of t h e e x t e n s i o n s g r a n t e d .

The small office building comprises two units. Since the block of which it forms part is a fairly modern development, the directors doubt that there is redevelopment potential now or in the foreseeable future.

Commercial letting rates per square foot of office space in the area in which the property is located have not increased since the property was purchased. However a recent new development has taken place close by which may favourably affect future rental demand for the area.

The market value of the commercial properties is a function of the expected rental yield along with the market's perception of the capital value of such an income stream. The Directors do not consider that there has been a material change in either factor since these properties were purchased.

For these reasons, the Directors consider that the original cost of the properties shown in the balance sheet reflects the most relevant independent guide to their current market value.

3. SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>