

# Shenstone Properties Limited

Directors' Report and Financial Statements

For the year ended 30 June 2015

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# Shenstone Properties Limited

## Company Information

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<b>Directors</b>	R. Mansell J. Mansell R. Fokschaner
<b>Secretary</b>	W.D. McDaid
<b>Company number</b>	02036008
<b>Registered office</b>	Devonshire House 60 Goswell Road London EC1M 7AD
<b>Auditors</b>	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
<b>Bankers</b>	National Westminster Bank plc 1 Cavendish Square London W1A 4NU  AIG Asset Management (Europe) Limited 58 Fenchurch Street London EC3M 4AB

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# Shenstone Properties Limited

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# Shenstone Properties Limited

## Directors' Report

For the year ended 30 June 2015

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The directors present their report and financial statements for the year ended 30 June 2015.

### Principal activities

The principal activities of the company throughout the year continued to be the sale of the freehold interest in properties, together with ground rents and fees received for assignment, administration and insurance of property transactions, along with the proceeds from the sale of investments.

### Directors

The following directors have held office since 1 July 2014:

R. Mansell  
J. Mansell  
R. Fokschaner

### Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

# Shenstone Properties Limited

## Directors' Report (Continued)

For the year ended 30 June 2015

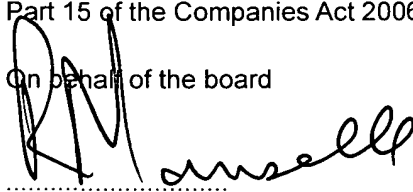
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### Statement of disclosure to auditors

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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to read 'R. Mansell', is written over a dotted line.

R. Mansell

**Director**

30 March 2016

# Shenstone Properties Limited

## Independent Auditors' Report to the Members of Shenstone Properties Limited

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We have audited the financial statements of Shenstone Properties Limited for the year ended 30 June 2015 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 and express an opinion on 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 the accounting policies are appropriate to the 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter 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.

# Shenstone Properties Limited

## Independent Auditors' Report to the Members of Shenstone Properties Limited (Continued)

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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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from preparing a Strategic Report.

*Kingston Smith LLP*

James Cross (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP

*30 March 2016*

Chartered Accountants  
Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# Shenstone Properties Limited

## Profit and Loss Account

For the year ended 30 June 2015

	Notes	2015 £	2014 £
<b>Turnover</b>		4,362,511	3,705,771
Cost of sales		(655,895)	(471,238)
<b>Gross profit</b>		3,706,616	3,234,533
Administrative expenses		(569,957)	(943,527)
		3,136,659	2,291,006
Exceptional item	2	-	(1,134,224)
<b>Operating profit</b>	2	3,136,659	1,156,782
Profit on disposal of subsidiary undertaking	2	-	200,000
<b>Profit on ordinary activities before interest</b>		3,136,659	1,356,782
Investment income	3	39	2,000
Other interest receivable and similar income	3	5,003	890
Interest payable and similar charges		(908,738)	(696,886)
<b>Profit on ordinary activities before taxation</b>		2,232,963	662,786
Tax on profit on ordinary activities	4	(231,992)	122,041
<b>Profit for the year</b>	13	2,000,971	784,827



# Shenstone Properties Limited

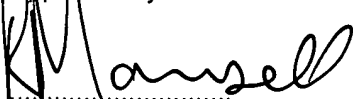
## Balance Sheet

As at 30 June 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	6		13,611		18,148
<b>Current assets</b>					
Stocks		8,885,120		8,650,542	
Debtors	7	9,883,911		9,552,258	
Investments	8	112,071		112,071	
Cash at bank and in hand		3,928,083		3,901,254	
		22,809,185		22,216,125	
<b>Creditors: amounts falling due within one year</b>	9	(4,360,109)		(4,597,514)	
<b>Net current assets</b>			18,449,076		17,618,611
<b>Total assets less current liabilities</b>			18,462,687		17,636,759
<b>Creditors: amounts falling due after more than one year</b>	10		(14,936,000)		(14,968,000)
<b>Provisions for liabilities</b>	11		(73,826)		(76,869)
			3,452,861		2,591,890
<b>Capital and reserves</b>					
Called up share capital	12		303,030		303,030
Share premium account	13		96,970		96,970
Profit and loss account	13		3,052,861		2,191,890
<b>Shareholders' funds</b>			3,452,861		2,591,890

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 30 March 2016



R. Mansell  
Director

Company Registration No. 02036008

# Shenstone Properties Limited

## Notes to the Financial Statements

For the year ended 30 June 2015

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### **1.2 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 (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable in respect of the sale of the freehold interest in properties, together with ground rents and fees received for assignment, administration and insurance of property transactions, along with the proceeds from the sale of investments.

Turnover arose wholly within the United Kingdom.

#### **1.4 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:

Computer equipment	25% reducing balance
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#### **1.5 Leasing**

Rentals payable under operating leases are charged on a straight line basis over the lease term.

#### **1.6 Investments**

Current asset investments are stated at the lower of cost and net realisable value.

#### **1.7 Stock**

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

#### **1.8 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### **1.9 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

#### **1.10 Instalment sales**

It is the company's policy to account for the sale of property when sold on an instalment basis when the first instalment has been received.

# Shenstone Properties Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

<b>2</b>	<b>Operating profit</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging/(crediting):		
	Depreciation of tangible assets	4,537	6,049
	Auditors' remuneration for audit services	39,000	39,000
	Auditors' remuneration for non-audit services	40,237	50,195
	Directors' remuneration (including benefits in kind)	98,786	414,404
	Operating lease rentals		
	- Other	16,500	16,500
	Profit on disposal of subsidiary undertaking	-	(200,000)
	Exceptional item	-	1,134,224
		<u>          </u>	<u>          </u>

The profit on disposal of subsidiary undertaking in the prior year arose on the disposal of Bellway (North London) Limited and represents retention funds released in that year.

The exceptional item in the prior year represents the legal and associated costs of the refinancing of the bank loan.

<b>3</b>	<b>Investment income and other interest receivable and similar income</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Dividend receivable	39	2,000
	Bank interest	5,003	890
		<u>          </u>	<u>          </u>
		5,042	2,890
		<u>          </u>	<u>          </u>

<b>4</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	235,035	-
	Adjustment for prior years	-	(118,000)
		<u>          </u>	<u>          </u>
	<b>Total current tax</b>	235,035	(118,000)
	<b>Deferred tax</b>		
	Deferred tax credit current year (note 11)	(3,043)	(4,041)
		<u>          </u>	<u>          </u>
		231,992	(122,041)
		<u>          </u>	<u>          </u>

The corporation tax charge for the year has been reduced by group relief of £1,127,493 (2014: £108,705) made available from group undertakings.

# Shenstone Properties Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

5	Dividends	2015 £	2014 £
	Ordinary final	<u>1,140,000</u>	<u>270,000</u>
6	Tangible fixed assets		Plant and machinery etc £
	<b>Cost</b>		
	At 1 July 2014 & at 30 June 2015		<u>232,312</u>
	<b>Depreciation</b>		
	At 1 July 2014		214,164
	Charge for the year		<u>4,537</u>
	At 30 June 2015		<u>218,701</u>
	<b>Net book value</b>		
	At 30 June 2015		<u>13,611</u>
	At 30 June 2014		<u>18,148</u>
7	Debtors	2015 £	2014 £
	Trade debtors	851,059	832,358
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	7,526,316	7,339,313
	Other debtors	<u>1,506,536</u>	<u>1,380,587</u>
		<u>9,883,911</u>	<u>9,552,258</u>
8	Current asset investments	2015 £	2014 £
	Listed investments	<u>112,071</u>	<u>112,071</u>

# Shenstone Properties Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

<b>9 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Taxation and social security	253,042	164,834
Other creditors	4,107,067	4,432,680
	<u>4,360,109</u>	<u>4,597,514</u>

Other creditors includes £32,000 (2014: £32,000) being the element of the loan provided by AIG Asset Management (Europe) Limited due within one year as detailed in note 10.

<b>10 Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank and other loans	14,936,000	14,968,000
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	14,808,000	14,840,000
Wholly repayable within five years	160,000	160,000
	<u>14,968,000</u>	<u>15,000,000</u>
Included in current liabilities	(32,000)	(32,000)
	<u>14,936,000</u>	<u>14,968,000</u>
Instalments not due within five years	<u>14,808,000</u>	<u>14,840,000</u>

On 23 June 2014 the company refinanced with a £15m facility provided by AIG Asset Management (Europe) Limited. The loan is repayable in six monthly instalments, bears interest of 5% and is repayable by 30 December 2049.

The loan is secured by fixed and floating charges over the company and all property and assets present and future to CBRE Loan Securing Limited as agent of AIG Asset Management (Europe) Limited.

# Shenstone Properties Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

### 11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 July 2014	76,869
Profit and loss account	(3,043)
	<hr/>
Balance at 30 June 2015	73,826
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The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	1,244	1,906
Short term timing differences	72,582	74,963
	<hr/>	<hr/>
	73,826	76,869
	<hr/>	<hr/>

### 12 Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
300,000 Ordinary shares of £1 each	300,000	300,000
3,030 Ordinary "A" shares of £1 each	3,030	3,030
	<hr/>	<hr/>
	303,030	303,030
	<hr/>	<hr/>

The Ordinary and 'A' Ordinary shares rank pari passu.

### 13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 July 2014	96,970	2,191,890
Profit for the year	-	2,000,971
Dividends payable		(1,140,000)
	<hr/>	<hr/>
Balance at 30 June 2015	96,970	3,052,861
	<hr/>	<hr/>

# Shenstone Properties Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2015

### 14 Financial commitments

At 30 June 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2016:

	2015 £	2014 £
Operating leases which expire: Between two and five years	16,500	16,500

### 15 Control

The company's immediate parent undertaking is Shenstone Group Limited, a company registered in England and Wales. The ultimate parent company is Shendor Limited, a company also registered in England and Wales. Copies of the consolidated financial statements of Shendor Limited can be obtained from the registered office.

R Mansell, a director, is considered to be the ultimate controlling party by virtue of his 50% shareholding in Shendor Limited and his management of the company's day to day operations.

### 16 Related party relationships and transactions

Interest on directors' loans has been accrued but not paid or credited at 5.5% in the year (2014: 5.5%) as follows: R Mansell £54,696 (2014: £73,622) and to R Fokschaner £94,353 (2014: £95,813). The director loan account balances due to R Mansell and R Fokschaner as at 30 June 2015 were £730,710 and £1,677,420 respectively (2014: £1,253,244 and £1,735,808).

At the year end the company was owed £1,195,196 (2014: £1,020,196) by Friary Insurance Services Limited, a company in which R Mansell and R Fokschaner have a material interest.

At the year end the company was owed £3,166,174 (2014: £3,164,518) by Shenstone Group Limited and £4,360,142 (2014: £4,174,795) by Hadrian Property Management Company Limited. These are all companies under common control.

The company's ultimate parent undertaking, Shendor Limited, has guaranteed the amount owed by Hadrian Property Management Company Limited to the company. The directors are of the opinion that the amount owed by Hadrian Property Management Company Limited is fully recoverable.

Rent of £40,000 (2014: £32,000) is payable for a property owned jointly by R Mansell and R Fokschaner.

The company has taken advantage of the exemption provided by FRS 8 and has not disclosed transactions with subsidiary companies where 100% of the voting rights are controlled within the group.