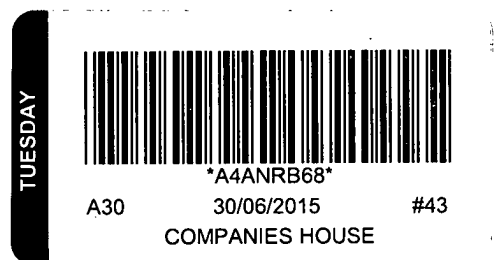


# Abbreviated Accounts Shadowgrade Developments Limited

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For the year ended 30 June 2014



Registered number: 2223106

Abbreviated Accounts

# Independent Auditor's Report to Shadowgrade Developments Limited

## Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts, which comprise the Balance sheet and the related notes, together with the financial statements of Shadowgrade Developments Limited for the year ended 30 June 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that might state to the company those matters are required to state to it in a special Auditor's report and for no other purpose. To the fullest extent permitted by law, do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions have formed.

### Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin have carried out the procedures consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

### Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts which comprise the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.

### Other information

On 30 June 2015 reported as auditor to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our audit report included the following paragraph:

### Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.3 to the financial statements concerning the company's ability to continue as a going concern. At 30 June 2014 the company had net current liabilities of £10,990,243 and is reliant upon the on going support of its bankers through a £13,059,643 mortgage loan facility that expires within a year. This condition, along with the other matters explained in note 1.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



# Independent Auditor's Report to Shadowgrade Developments Limited

Under section 449 of the Companies Act 2006

*Grant Thornton UK LLP*

Andy Ka (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Wokingham

30 June 2015

## Abbreviated Balance Sheet

As at 30 June 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	2	20,496,120	20,490,908
<b>Current assets</b>			
Debtors		2,234,799	2,016,262
Cash at bank		978,008	750,526
		<u>3,212,807</u>	<u>2,766,788</u>
<b>Creditors: amounts falling due within one year</b>	3	<u>(14,203,050)</u>	<u>(1,025,624)</u>
<b>Net current (liabilities)/assets</b>		<u>(10,990,243)</u>	<u>1,741,164</u>
<b>Total assets less current liabilities</b>		<u>9,505,877</u>	<u>22,232,072</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>-</u>	<u>(13,001,710)</u>
<b>Net assets</b>		<u><u>9,505,877</u></u>	<u><u>9,230,362</u></u>
<b>Capital and reserves</b>			
Called up share capital	4	1,000	1,000
Revaluation reserve		7,685,526	7,724,756
Profit and loss account		<u>1,819,351</u>	<u>1,504,606</u>
<b>Shareholders' funds</b>		<u><u>9,505,877</u></u>	<u><u>9,230,362</u></u>

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 30 June 2015.

*S. Hamilton*

Mr S Hamilton  
Director

*C Higgins*

Mr C Higgins  
Director

The notes on pages 5 to 7 form part of these financial statements.

## Notes to the Abbreviated Accounts

For the year ended 30 June 2014

### 1. Accounting Policies

#### 1.1 Basis of accounting

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

#### 1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.3 Going concern

The company finances its freehold property portfolio through bank mortgages. At the balance sheet date, mortgages of £13,059,643 (2013: £13,083,710) (net of capitalised arrangement fees of £16,968 (2013: 57,933)) were classified as creditors falling due within one year pending renewal of arrangements with the company's lender. At the date of approving these financial statements, the company has agreed heads of terms for a new 4 year facility of £13,000,000 with its lender and expects them to be approved in the near future.

In view of the above and taking into account the future plans for the business the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 1.4 Turnover

Turnover represents income arising from providing fully self contained apartments for the short term letting market and is recorded on an accruals basis. Income is accrued for lettings provided by the accounting date but not invoiced. Where an obligation remains at the accounting date to provide future services, that element of invoiced amounts is deferred.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line
Office equipment	-	33% straight line

No depreciation is provided on freehold properties as the useful economic lives of these assets are of such length and the residual values are such that they are not materially different from the carrying amount and any depreciation would not be material. Residual values are reviewed annually and any impairment in value is provided for in the profit and loss account.

As no depreciation is charged on revalued assets, there is no excess over the notional historical cost depreciation charge and hence no amount of the revaluation reserve is transferred to the profit and loss reserve.

## Notes to the Abbreviated Accounts

For the year ended 30 June 2014

### 1. Accounting Policies (continued)

#### 1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

#### 1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### 1.9 Finance costs

Loan interest is recognised on an accruals basis over the life of the loan. Finance costs also include mortgage arrangement fees which are capitalised and set off against the mortgage amount and amortised over the life of the loan.

# Notes to the Abbreviated Accounts

For the year ended 30 June 2014

## 2. Tangible fixed assets

	£
<b>Cost or valuation</b>	
At 1 July 2013	22,330,085
Additions	81,457
Revaluation surplus/(deficit)	(39,230)
At 30 June 2014	<u>22,372,312</u>
<b>Depreciation</b>	
At 1 July 2013	1,839,177
Charge for the year	37,015
At 30 June 2014	<u>1,876,192</u>
<b>Net book value</b>	
At 30 June 2014	<u><u>20,496,120</u></u>
At 30 June 2013	<u><u>20,490,908</u></u>

The properties were valued on 23 September 2014 by Vail Williams LLP, external Chartered Surveyors. The directors are of the opinion that there was no material movement between the latest valuation and the carrying book value and accordingly no revaluation movement has been processed in the financial statements. There has been no effect on depreciation as no depreciation is provided on this class of asset. If the properties had not been revalued they would have been included at a net book value on historical cost basis of £12,754,110 (2013: £12,715,244). The accumulated depreciation of £nil is equal to the accumulated depreciation £nil that would have been provided on a historical cost basis.

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation, because, in the opinion of the directors, the assets that are likely to be disposed of in the foreseeable future would not generate a material deferred tax balance.

## 3. Creditors:

### Amounts falling due within one year

The company has bank mortgages due within one year of £13,042,675 (2013: £82,000) that are secured against the its freehold property.

## 4. Share capital

	2014 £	2013 £
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Ordinary Shares shares of £1 each	<u>1,000</u>	<u>1,000</u>