

SUMMERFIELD ESTATES LIMITED

COMPANY NUMBER 2882080

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Directors:

R D A Lloyd
M J Foden
M Blackwell
M C Blackwell
C D Mattravers (resigned 19 June 2016)
J E Holyday
R S R Williams

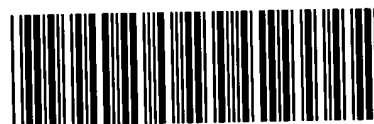
Secretary:

M C Blackwell

**Registered
Office:**

Tauntfield
South Road
Taunton
Somerset
TA1 3ND

FRIDAY



A63U8NO1

A17

07/04/2017

#171

COMPANIES HOUSE

SUMMERFIELD ESTATES LIMITED
DIRECTORS' REPORT

The Directors submit herewith their report and financial statements for the year ended 31 December 2016.

Principal Activities

The group is engaged in commercial property investment and management.

Directors

The directors who have served during the year are:

M Blackwell
M J Foden
R D A Lloyd
M C Blackwell
C D Mattravers (resigned 19 June 2016)
J E Holyday
R S R Williams

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 group and of the profit or loss of the group for that year. In preparing those 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUMMERFIELD ESTATES LIMITED
DIRECTORS' REPORT - Continued

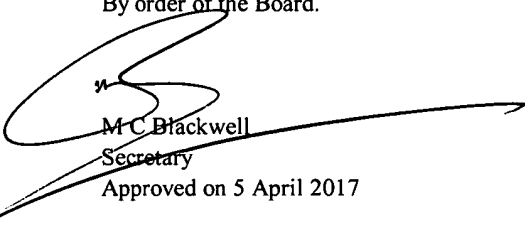
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Provisions

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

By order of the Board.



M C Blackwell
Secretary

Approved on 5 April 2017

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SUMMERFIELD ESTATES LIMITED**

Year Ended 31 December 2016

We have audited the group and parent company financial statements ("the financial statements") of Summerfield Estates Limited for the year ended 31 December 2016 which comprise the Group Profit and Loss Account, Group Balance Sheet, Company Balance Sheet, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 Auditor

As explained more fully in the Directors' Responsibilities Statement set out on the previous two pages, 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 (APB'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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of the 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 annual 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 during 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 group's and parent company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice ; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SUMMERFIELD ESTATES LIMITED cont'd**

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information in the Directors' Report for the financial year ended 31 December 2016 is consistent with these accounts.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of knowledge and understanding of the company and its environment obtained in the course of our audit, we have not identified material misstatements in the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company 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.
- 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 from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

PKF Francis Clark

Glenn Nicol (Senior Statutory Auditor)

PKF Francis Clark

Statutory Auditor

Vantage Point

Woodwater Park

Pynes Hill

Exeter

EX2 5FD

5 April 2017

SUMMERFIELD ESTATES LIMITED
GROUP PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2016

Page 1

	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
TURNOVER		2,223,752	2,697,611
Cost of sales		142,474	62,469
GROSS PROFIT		2,081,278	2,635,142
Administrative expenses		(213,176)	(217,979)
Other operating income		-	9,401
OPERATING PROFIT		1,868,102	2,426,564
Interest receivable		1,097	-
Interest payable	6	(774,271)	(759,128)
PROFIT BEFORE MOVEMENT ON FAIR VALUES		1,094,928	1,667,436
Movement on fair values		(22,970)	228,000
PROFIT FOR THE FINANCIAL YEAR		1,071,958	1,895,436
TAXATION			
Taxation on profit on ordinary activities		227,541	374,107
PROFIT FOR THE FINANCIAL YEAR		844,417	1,521,329

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements.

The notes on Pages 5 to 12 form part of these financial statements.

SUMMERFIELD ESTATES LIMITED
COMPANY NUMBER 2882080
GROUP BALANCE SHEET AS AT 31 DECEMBER 2016

Page 2

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		£	£
FIXED ASSETS			
Tangible assets			
Investment properties	7	20,069,750	20,213,083
Total tangible assets		20,069,750	20,213,083
CURRENT ASSETS			
Work in progress	9	512,213	540,787
Debtors	10	534,245	1,398,934
Cash at bank and in hand		1,283,375	986,130
		2,329,833	2,925,851
CREDITORS – Amounts falling due within one year	11	1,753,712	9,839,540
NET CURRENT ASSETS / (LIABILITIES)		576,121	(6,913,689)
TOTAL ASSETS LESS CURRENT LIABILITIES		20,645,871	13,299,394
CREDITORS – Amounts falling due after more than one year	12	(10,900,000)	(4,000,000)
		9,745,871	9,299,394
PROVISION FOR LIABILITIES			
Deferred taxation		-	-
NET ASSETS		£ 9,745,871	£ 9,299,394
CAPITAL AND RESERVES			
Called up share capital		764,020	764,020
Capital reserve		4,800	4,800
Profit and loss account		8,977,051	8,530,574
SHAREHOLDERS' FUNDS		£ 9,745,871	£ 9,299,394

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved by the Directors and authorised for issue on 5 April 2017, and are signed on their behalf by;

R D A Lloyd)

) Directors

M J Foden)

The notes on Pages 5 to 12 form part of these financial statements.

SUMMERFIELD ESTATES LIMITED
COMPANY NUMBER 2882080
COMPANY BALANCE SHEET AS AT 31 DECEMBER 2016

Page 3

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		£	£
FIXED ASSETS			
Tangible assets			
Investment properties	7	12,699,750	12,593,083
Total tangible assets		12,699,750	12,593,083
INVESTMENTS			
Total Investments	8	767,071	767,071
TOTAL FIXED ASSETS		13,466,821	13,360,154
CURRENT ASSETS			
Work in progress	9	512,213	540,787
Debtors	10	5,776,943	6,841,628
Cash at bank and in hand		1,283,375	986,130
		7,572,531	8,368,545
CREDITORS – Amounts falling due within one year	11	2,416,129	10,501,953
NET CURRENT ASSETS		5,156,402	(2,133,408)
TOTAL ASSETS LESS CURRENT LIABILITIES		18,623,223	11,226,746
CREDITORS – Amounts falling due after more than one year	12	(10,900,000)	(4,000,000)
PROVISION FOR LIABILITIES			
Deferred taxation		-	-
NET ASSETS		£ 7,723,223	£ 7,226,746
CAPITAL AND RESERVES			
Called up share capital		764,020	764,020
Profit and loss account		6,959,203	6,462,726
		£ 7,723,223	£ 7,226,746

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved by the Directors and authorised for issue on 5 April 2017, and are signed on their behalf by;

R D A Lloyd)

) Directors

M J Foden)

The notes on Pages 5 to 12 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015
FOR THE YEAR ENDED 31 DECEMBER 2016**

GROUP

	Called up Share Capital £	Capital Redemption Reserve £	Profit and Loss Account £	Total £
At 1 January 2015	764,020	4,800	7,407,185	8,176,005
Profit for year	-	-	1,521,329	1,521,329
Dividends Paid	-	-	(397,940)	(397,940)
At 31 December 2015	<u>764,020</u>	<u>4,800</u>	<u>8,530,574</u>	<u>9,299,394</u>
Profit for year	-	-	844,417	844,417
Dividends Paid	-	-	(397,940)	(397,940)
At 31 December 2016	<u>764,020</u>	<u>4,800</u>	<u>8,977,051</u>	<u>9,745,871</u>

COMPANY

	Called up Share Capital £	Profit and Loss Account £	Total £
At 1 January 2015	764,020	5,444,337	6,208,357
Profit for year	-	1,416,329	1,416,329
Dividends Paid	-	(397,940)	(397,940)
At 31 December 2015	<u>764,020</u>	<u>6,462,726</u>	<u>7,226,746</u>
Profit for year	-	894,417	894,417
Dividends Paid	-	(397,940)	(397,940)
At 31 December 2016	<u>764,020</u>	<u>6,959,203</u>	<u>7,723,223</u>

1 GENERAL INFORMATION

The company is a private company limited by share capital registered in England and Wales. The address of the registered office is Taunfield, South Road, Taunton, Somerset TA1 3ND

2 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS102) Section 1A issued by the Financial Reporting Council. There are no material departures from FRS102, Section 1A.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

3 ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the group and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. The Company's profit for the year is shown in the Statement of Changes in Equity

Turnover

Turnover from the sale of land is recognised on completion.

Rental income is recognised on a straight line basis over the lease term, even if amounts are not received on such basis. Incentives provided to tenants to sign a lease, including rent free periods, are similarly spread on a straight line basis over the lease term.

Investment Properties

Investment properties are measured at fair value annually with any change recognised in the profit and loss account.

Work in Progress

Developments are stated at the lower of cost and net realisable value. Cost comprises direct expenditure, less relevant income. Net realisable value is the estimated proceeds from the sale of developments and land bank less all costs to completion, marketing and selling costs related to the item in question.

3 ACCOUNTING POLICIES - Continued

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit and loss, which are initially measured at fair value.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions to be classified as basic instruments are subsequently measured at amortised cost using the effective interest method.

Basic instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less in the future have occurred at the balance sheet date.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3 ACCOUNTING POLICIES - Continued

Pensions

The group contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the group profit and loss account.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Investment Properties

As described in note 7 to the financial statements, investment properties are valued to open market value by the Board of Directors as at 31 December 2016. Valuations are calculated with regard to the net present value of future rental income streams with discount rates reflecting such variables as the length of lease, strength of covenant and the nature and location of the properties.

5 AUDITOR'S REMUNERATION

	<u>Group</u> <u>2016</u> £	<u>Group</u> <u>2015</u> £
Audit of the financial statements	10,400	9,704

6 INTEREST PAYABLE

	Group	
	2016	2015
	£	£
On bank and mortgage loans	774,271	759,128
Interest payable charged to profit and loss account	<u>£ 774,271</u>	<u>£ 759,128</u>

7 INVESTMENT PROPERTIES

	Group	Company
	£	£
COST / VALUATION		
At 1 January 2016	20,213,083	12,593,083
(Deficit)/Surplus on revaluation	(22,970)	227,030
Additions	2,970	2,970
Disposals	(123,333)	(123,333)
At 31 December 2016	<u>£ 20,069,750</u>	<u>£ 12,699,750</u>

All investment properties are freehold or long leasehold.

The investment properties are included at fair value and based on directors' valuations as at 31 December 2016. The valuations represent open market values and are calculated with regard to the net present value of future rental income streams with discount rates reflecting such variables as the length of lease, strength of covenant and the nature and location of the properties. The movement in fair value is recognised through profit and loss.

Some of the properties included in the balance sheet of the group are held by Summerfield Developments (SW) Ltd as custodial trustee.

The historical cost of investment properties is set out below:-

	Group	Holding Company
	£	£
At 31 December 2016	<u>£ 25,255,536</u>	<u>£ 18,888,715</u>
At 31 December 2015	<u>£ 25,285,899</u>	<u>£ 18,919,078</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8 INVESTMENTS IN GROUP UNDERTAKINGS

	% Nominal value	2016 & 2015 % Voting rights	£
Summerfield Developments Ltd			
Ordinary shares at £1 each	100	100	764,020
Summerfield Properties Ltd			
Ordinary shares at £1 each	100	100	1,000
Malting Homes Ltd			
Ordinary shares of £1 each	51	51	51
Summerfield Spare Ltd			
Ordinary shares of £1 each	100	100	1,000
Blackdown Estates Ltd			
Ordinary shares of £0.01 each	100	100	1,000
			£ 767,071

Nature of business of group undertakings

Summerfield Developments Ltd	Dormant formerly property development and investment
Summerfield Properties Ltd	Property investment
Blackdown Estates Ltd	Property investment
Malting Homes Ltd	Dormant
Summerfield Spare Ltd	Dormant

All group undertakings are included in the consolidated accounts and are incorporated in the United Kingdom.

9 WORK IN PROGRESS

Group		Holding Company	
2016	2015	2016	2015
£	£	£	£
£ 512,213	£ 540,787	£ 512,213	£ 540,787

10 DEBTORS

	Group		Holding Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	39,924	32,521	39,924	32,521
Owed by group undertakings	-	-	5,243,424	5,443,424
Owed by related undertakings	-	943,276	-	943,276
Other debtors	494,321	423,137	493,595	422,407
	£ 534,245	£ 1,398,934	£ 5,776,943	£ 6,841,628

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11 CREDITORS : Amounts falling due within one year

	Group		Holding Company	
	2016	2015	2016	2015
	£	£	£	£
Mortgage loans (secured)	-	7,952,335	-	7,952,335
Trade creditors	51,212	23,300	51,212	23,300
Owed to group undertakings	-	-	813,204	813,204
Owed to related undertakings	106,031	162,890	106,031	162,890
Corporation tax	107,539	165,270	107,539	165,270
Social security and other taxes	57,999	241,436	57,999	241,436
Other creditors	157,067	137,340	157,899	138,168
Accruals and deferred income	1,273,864	1,156,969	1,122,245	1,005,350
	£ 1,753,712	£ 9,839,540	£ 2,416,129	£ 10,501,953

12 CREDITORS: Amounts falling due after more than one year

	Group and Holding Company	
	2016	2015
	£	£
Mortgage loans	£ 10,900,000	£ 4,000,000

During the year the company refinanced its borrowing with a new five year loan, £1,000,000 is repayable after three years, and the balance on the fifth anniversary of the loan. Interest is payable at 1.9% above Libor.

The maturity of total debt may be analysed as follows:-

	2016	2015
	£	£
Between one and two years	-	240,000
Between two and five years	10,900,000	3,760,000
In five years or more	-	-
	£ 10,900,000	£ 4,000,000

The loans are secured by a mortgage over the investment property and a fixed charge over all fixed assets and by a floating charge on other assets of the group.

13 FINANCIAL INSTRUMENTS

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Holding company	
	2016	2015	2016	2015
	£	£	£	£
Measured at undiscounted amount receivable:				
Trade debtors	39,924	32,521	39,924	32,521
Amounts due from group and related undertakings	-	943,276	5,243,424	6,386,700
Equity instruments measured at cost less impairment:				
Fixed asset investments in unlisted equity instruments	-	-	767,071	767,071
	<u>39,924</u>	<u>975,797</u>	<u>6,050,419</u>	<u>7,186,292</u>
Financial liabilities				
Measured at amortised cost:				
Bank loans	10,900,000	11,952,335	10,900,000	11,952,335
Measured at undiscounted amount payable:				
Trade creditors	51,212	23,300	51,212	23,300
Amounts owed to group and related undertakings	106,031	162,890	919,235	976,094
	<u>11,057,243</u>	<u>12,138,525</u>	<u>11,870,447</u>	<u>12,951,729</u>

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group		Holding company	
	2016	2015	2016	2015
	£	£	£	£
Interest income and expense				
Total interest expense for financial liabilities at amortised cost	(774,271)	(759,128)	(774,271)	(759,128)
Impairment losses				
On unlisted equity instruments measured at cost less impairment	-	-	-	-

14 RELATED PARTY TRANSACTIONS

The following directors are directors of both Summerfield Estates Ltd. and Summerfield Developments (SW) Ltd:-

Richard Lloyd
Mark Blackwell
James Holyday

These directors, when acting in concert, are able to exercise common influence over the boards of both companies. Summerfield Estates Ltd and Summerfield Developments (SW) Ltd are therefore considered to be related parties.

Summerfield Estates Ltd and its combined subsidiaries bore a part of the overhead costs, including directors' remuneration, relating to the activities of the two groups and initially borne by Summerfield Developments (SW) Ltd. The total overhead costs were then re-apportioned between the companies and are included within accruals at the year end.

Interest receivable during the year amounted to £nil (2015: £nil)
Costs of interest rate hedging were £489,654 (2015: £466,471)
Apportionment of overheads totalled £181,000 (2015: £247,500)

During the year the company sold land to Summerfield Developments (SW) Ltd for the sum of £608,210 (2015: £1,000,000).

At 31 December 2016 the balance owed to Summerfield Developments (SW) Ltd by Summerfield Estates Ltd was £92,703 (2015: £943,276 owed by Summerfield Developments (SW) Ltd).

Summerfield Estates Ltd is an associated company of Tauntfield Ltd and consequently Tauntfield Ltd and its subsidiaries (details of subsidiaries are included in the publicly available accounts) are deemed to be related parties. At 31 December 2016 the company owed £12,500 (2015: £162,062) to Tauntfield Ltd. Transactions with this company and its subsidiaries were as follows:

Purchases from Tauntfield and subsidiaries	£	nil	(2015: £nil)
Dividends paid to Tauntfield	£	111,979	(2015: £111,979)

During the year the following directors (or their spouse) received dividends from the company in respect of ordinary shares amounting to £112,071 (2015: £112,071).