

REGISTERED NUMBER: 03572436 (England and Wales)

Financial Statements for the Year Ended 31 March 2017

for

Evenbrook Suffolk Limited

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for the Year Ended 31 March 2017

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Evenbrook Suffolk Limited

Company Information
for the Year Ended 31 March 2017

DIRECTORS:

C A Butterfield FCA
J R Coles FRICS
M A Poole FCA, CTA

REGISTERED OFFICE:

Hamstead Hall
142 Friary Road
Birmingham
B20 1AP

REGISTERED NUMBER:

03572436 (England and Wales)

AUDITORS:

CK Audit
No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

SOLICITORS:

Freeths LLP
80 Mount Street
Nottingham
NG1 6HH

Evenbrook Suffolk Limited (Registered number: 03572436)

Balance Sheet
31 March 2017

| | Notes | 31.3.17 £ | £ | 31.3.16 £ | £ |
|--|-------|------------------|--------------------|------------------|--------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 3 | | 17,000 | | 19,421 |
| Investment property | 4 | | 13,119,547 | | 13,119,547 |
| | | | <u>13,136,547</u> | | <u>13,138,968</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 1,100,901 | | 1,100,559 | |
| Cash in hand | | 997 | | - | |
| | | <u>1,101,898</u> | | <u>1,100,559</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 6 | 6,618,922 | | 6,619,203 | |
| NET CURRENT LIABILITIES | | | <u>(5,517,024)</u> | | <u>(5,518,644)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 7,619,523 | | 7,620,324 |
| PROVISIONS FOR LIABILITIES | 7 | | 850,000 | | 950,000 |
| NET ASSETS | | | <u>6,769,523</u> | | <u>6,670,324</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 2 | | 2 |
| Fair value reserve | 8 | | 6,700,151 | | 6,600,151 |
| Retained earnings | | | 69,370 | | 70,171 |
| SHAREHOLDERS' FUNDS | | | <u>6,769,523</u> | | <u>6,670,324</u> |

The notes form part of these financial statements

Evenbrook Suffolk Limited (Registered number: 03572436)

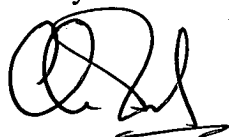
Balance Sheet - continued

31 March 2017

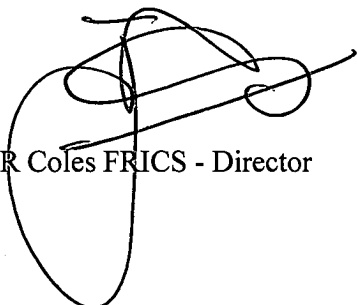
The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 8 June 2017 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'C A Butterfield', written in a cursive style.

C A Butterfield FCA - Director

A handwritten signature in black ink, appearing to be 'J R Coles', written in a cursive style with a large loop at the bottom.

J R Coles FRICS - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2017

1. STATUTORY INFORMATION

Evenbrook Suffolk Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going Concern

The financial statements have been prepared on the going concern basis. Current liabilities exceed current assets by £5,517,024. Current liabilities include an amount of £6,577,735 due to the company's parent company, Evenbrook Investment Holdings Limited. This loan is interest free, repayable on demand and is long term funding for the company from its parent that enabled the company to purchase the investment properties that it owns. The company has a net asset value of £6,769,523 reported at the balance sheet date. The directors consider the possibility of Evenbrook Investment Holdings Limited requiring repayment of the loan of £6,577,735 within 12 months from the date of approval of these financial statements to be remote as should the company become technically insolvent this would be an event of default in respect of the borrowings from an external lender by Evenbrook Estates Limited, the group treasury company. Accordingly the directors of the company, the majority of whom are directors of all group companies within the group headed by Evenbrook Capital Partners Limited, which includes the company and its parent, are satisfied that these financial statements should be prepared on the going concern basis as they expect the company to continue in operational existence for the foreseeable future. Further information on the going concern basis of preparation is provided in the consolidated financial statements of Evenbrook Capital Partners Limited.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management does not consider there to be judgements made on matters considered material (apart from those involving estimates) that have had an effect on amounts recognised in the financial statements this year.

The following are the company's key sources of estimation uncertainty:

Revaluation of investment properties

The company carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The directors, one of whom is a Chartered Surveyor, review the carrying values of investment properties at each year end. The valuation of investment properties focuses on the estimated yield (expressed as the gross rent per annum passing at the year end date divided by the carrying value of the property) considered to be appropriate to the type and condition of the property in light of extant market conditions having regard also to its vacant possession value. The determined fair value of the investment property is most sensitive to the estimated yield. Further information on the determination of the fair value of investment properties is given in the notes to the financial statements.

Taxation

The company establishes provisions based on reasonable estimates and these are subject to the potential consequences of enquiries by the tax authorities. The amount of such provisions is based on various factors such as experience and the impact of potentially differing interpretations of tax legislation and practice regulations by the company and the tax authorities. Management estimation is required to determine the amount of deferred tax that should be recognised at any time having regard to fair value and other factors.

Turnover

Turnover represents rents receivable and related income.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - between 10% and 33% per annum on cost

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Investment property

Investment property is shown at most recent valuation. Any aggregate gain or loss arising from changes in fair value is recognised in the income statement. FRS 102 requires valuation at fair value unless fair value cannot be obtained without undue cost or effort. Deferred taxation is provided on these gains where applicable at the rate expected to apply when the property is sold.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

The company's functional and presentation currency is the pound sterling.

Financial instruments

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

3. TANGIBLE FIXED ASSETS

| | Plant and machinery etc £ |
|--------------------------------------|------------------------------------|
| COST | |
| At 1 April 2016 and 31 March 2017 | 31,258 |
| DEPRECIATION | |
| At 1 April 2016 | 11,837 |
| Charge for year | 2,421 |
| At 31 March 2017 | 14,258 |
| NET BOOK VALUE | |
| At 31 March 2017 | 17,000 |
| At 31 March 2016 | 19,421 |

4. INVESTMENT PROPERTY

| | Total £ |
|--------------------------------------|------------|
| FAIR VALUE | |
| At 1 April 2016 and 31 March 2017 | 13,119,547 |
| NET BOOK VALUE | |
| At 31 March 2017 | 13,119,547 |
| At 31 March 2016 | 13,119,547 |

Cost or valuation at 31 March 2017 is represented by:

| | £ |
|-------------------|------------|
| Valuation in 2017 | 7,550,151 |
| Cost | 5,569,396 |
| | 13,119,547 |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

4. **INVESTMENT PROPERTY - continued**

The portfolio of 146 residential properties was valued in March 2017 by the directors, one of whom is a Chartered Surveyor, on the basis of fair value reflecting an average gross yield of 6.4% per annum based on the gross annual rent passing at the year end and subject to the existing tenancies. The average gross yield of 6.4% per annum is considered appropriate having regard to the nature and condition of the properties and yields reported by national property agents.

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 31.3.17 | 31.3.16 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 901 | 559 |
| Amounts owed by group undertakings | 1,100,000 | 1,100,000 |
| | <u>1,100,901</u> | <u>1,100,559</u> |

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 31.3.17 | 31.3.16 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 41,187 | 16,352 |
| Amounts owed to group undertakings | 6,577,735 | 6,541,390 |
| Other creditors | - | 61,461 |
| | <u>6,618,922</u> | <u>6,619,203</u> |

7. **PROVISIONS FOR LIABILITIES**

| | 31.3.17 | 31.3.16 |
|--|----------------|------------------|
| | £ | £ |
| Deferred tax | <u>850,000</u> | <u>950,000</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1 April 2016 | | 950,000 |
| Credit to Income Statement during year | | <u>(100,000)</u> |
| Balance at 31 March 2017 | | <u>850,000</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

8. RESERVES

| | Fair value reserve £ |
|------------------|-------------------------------|
| At 1 April 2016 | 6,600,151 |
| Deferred Tax | 100,000 |
| | <hr/> |
| At 31 March 2017 | <u>6,700,151</u> |

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Leslie Barnes (Senior Statutory Auditor)
for and on behalf of CK Audit

10. CONTINGENT LIABILITIES

Contingent Liability

The company has granted the following security to a lender in respect of borrowings of Evenbrook Estates Limited of £22,894,000 at 31 March 2017 (£12,875,000 from 28 April 2017):

- Company guarantee limited to £21,000,000 plus interest and costs.
- First legal charges over the company's investment properties.
- Floating charge over the company's assets.
- Assignment of rental income.

The company has subordinated a loan to Evenbrook Estates Limited of £1,100,000 in favour of the lender.

11. ULTIMATE CONTROLLING PARTY

The controlling party is Evenbrook Investment Holdings Limited.

The ultimate controlling party is CA Butterfield & JR Coles.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Evenbrook Capital Partners Limited. Copies of the Evenbrook Capital Partners Limited consolidated financial statements can be obtained from its registered office and principal place of business at Hamstead Hall 142 Friary Road Birmingham B20 1AP.