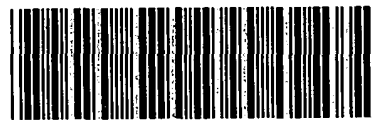


Registered number 5073406

Southside & City Developments Limited
Annual report and financial statements
for the year ended 31 December 2015

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Southside & City Developments Limited

Annual report and financial statements for the year ended 31 December 2015

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Southside & City Developments Limited

Directors, officers and advisers

Directors

C Klerides

V Papadopoulos

Company secretary

CMK Management Ltd

Registered office

6 Grosvenor Street

London

W1K 4PZ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Southside & City Developments Limited

Directors' report for the year ended 31 December 2015 (continued)

The directors present their annual report together with the audited financial statements of Southside & City Developments Limited for the year ended 31 December 2015. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the business is the development and sale of real estate.

Review of the business

The Company continued to develop the site at Luton with the strategy of adding limited infrastructure and selling the site as undeveloped lots. Having obtained planning consent the focus during 2015 has been identifying potential buyers of the company's real estate assets. Two lots were sold during 2015 for a total consideration of £11.2m. At the balance sheet date, the company was in advanced stages of negotiations to sell remaining lots of land.

The loss for the financial year amounted to £3,265,422 (2014: £4,608,064 profit).

Small companies provision

The directors have taken the exemption under section 414B of the Companies Act 2006 in respect of exemption of presenting the Strategic Report.

During the year the company transitioned to FRS 102. The adoption of FRS 102 has not led to any changes in accounting policies or had any material impact on financial statements.

Subsequent events

Since the year end the company has exchanged contracts for the sale of its remaining lots of land with completion due on two plots later in 2016 or early 2017.

The Company is required to carry out infrastructure work on the site over the next year under the terms of the sales contracts. Arrangements are in place to fund this anticipated infrastructure work (see financing below).

Financing

The company, together with its sister company KDC Properties Limited successfully restructured its existing debt facilities in 2011. The senior debt of the Company was bifurcated into £20,801,109 of 'Senior debt' and £67,158,707 of 'Payment In Kind ('PIK') notes'. As part of the restructure, the Company, together with its sister company, KDC Properties Limited has been provided with two further funding facilities, a 'Super Senior'/Infrastructure facility of £6,000,000 and an 'Enabling Facility' of £5,500,000. At 31 December 2015 the Super Senior facility was drawn by £1,262,213 although this was repaid in full after the sales during the year, with no further drawdowns taking place from this facility and the Enabling Facility was drawn by £3,953,000, in both cases by the Company.

The above facilities allowed the Company and KDC Properties Limited a seven year period from December 2011 to improve the planning consent, perform limited infrastructure work and sell the land as undeveloped lots. The seven year repayment period is conditional on two debt repayment milestones at the end of the third and fifth anniversary of the debt being restructured.

At the date of the third anniversary, December 2014, the company was in a position to meet the terms of its three year facility milestone but the sale of certain of the property assets required to achieve this was not approved by one of the senior lenders in sufficient time to permit compliance with this deadline. Approval was subsequently received. However, at December 2014 the company was in default of the terms of the facilities and consequently the facilities became repayable on demand. Whilst a repayment has been made in the year following the disposal of land the company continued to be in default as at 31 December 2015. No subsequent action has been taken by any of the lenders to accelerate the repayment of the debt. However, as a result of the default the facilities have been reclassified on the balance sheet as amounts owed within one year at 31 December 2014 and at 31 December 2015.

Although the company's loan facilities remain in technical default, since the year end the facilities have remained in place and lenders have allowed the Company to draw down additional funding on its infrastructure and enabling funding lines.

Southside & City Developments Limited

Directors' report for the year ended 31 December 2015 (continued)

As at the date of approval of the financial statements the company has received no indication from the lenders that they intend to invoke their rights under the facility agreements and demand repayment of the debt within the next 12 months, and therefore the facilities remain available to the company.

Southside & City Developments Limited

Directors' report for the year ended 31 December 2015 (continued)

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

V Papadopoulos

C Klerides

Going Concern

The company meets its day to day working capital requirements through the Infrastructure and Enabling facilities provided by HSBC and related Company Laing O'Rourke Treasury Limited and cash proceeds from the sale of assets.

As a result of the default on the terms of the Company's facilities noted above, all facilities became repayable on demand. As at the date of approval of the financial statements the Company has received no indication from the lenders that they intend to invoke their rights under the facilities and demand repayment of the debt within the next 12 months, and therefore the facilities remain available to the Company.

The Company has exchanged contracts to sell its remaining property assets. The Company will be required to carry out certain infrastructure works on portions of the land currently being sold and intend to utilise the infrastructure facility referred to above to assist with any working capital funding needed for this work. This work is expected to last for a period of more than 12 months from the date of these financial statements. The Directors believe their approach maximises the amount of cash available to repay the company's lenders.

The expectation of the Directors is that, following completion of the sale of the final parcel of land and the completion of any required infrastructure work the liabilities of the company will have been discharged to the maximum extent possible and the company will be dissolved. The Directors are of the understanding that the lenders support such an orderly disposal of assets and will therefore allow such a process to take place without demanding repayment of the debt within the next 12 months.

These financial statements do not include any adjustments to the carrying amounts of assets and liabilities, reported amounts of income and expenses, and balance sheet classifications used, that could arise in the event that a demand for repayment of the facilities is received. The conditions surrounding the facilities indicate the existence of a material uncertainty, which may cast significant doubt as to the Company's future ability to continue as a going concern.

However, management believes that the Company will be able to continue its operating activities until all its assets have been sold and therefore have prepared these financial statements on a going concern basis. In making this judgment, management have considered the facts available to date and that no indication has been received from the lenders that repayment will be sought within a period of 12 months from the date of approval of the financial statements.

Southside & City Developments Limited

Directors' report for the year ended 31 December 2015 (continued)

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

Statements of Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to act as auditors and a resolution that they be appointed as independent auditors of the Company will be passed at the Annual General Meeting.

Approval

This report was approved by the board on 22 September 2016 and signed on its behalf by



Christakis Klerides

Director

Southside & City Developments Limited

Independent auditors' report to the members of Southside & City Developments Limited

Report on the financial statements

Our opinion

In our opinion, Southside & City Developments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the Company's ability to continue as a going concern and have considered the fact that the terms of the company's loan facilities were in breach at the balance sheet date and that those facilities were therefore repayable on demand at the year end and the date of approval of the financial statements. The Directors have received no indication that the lenders will withdraw the availability of the facilities within a period of 12 months from the date of approval of these financial statements.

These conditions, along with other matters as described in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account and the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Southside & City Developments Limited

Independent auditors' report to the members of Southside & City Developments Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of the Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

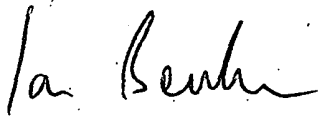
Southside & City Developments Limited

Independent auditors' report to the members of Southside & City Developments Limited

What an audit of financial statements involves (continued)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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 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.



Ian Benham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 September 2016

Southside & City Developments Limited

Profit and Loss Account Year ended 31 December 2015

	Note	For the year ended 31 December 2015 £	For the year ended 31 December 2014 £
Turnover		11,162,000	-
Cost of sales		(11,180,142)	-
Gross (loss)/result		(18,142)	-
Administrative expenses		(383,158)	(369,884)
Impairment charge	4, 11	(1,177,490)	6,415,355
Operating (loss)/profit	5	(1,578,790)	6,045,471
Interest receivable and similar income	6	1,151	-
Interest payable and similar charges	7	(1,687,783)	(1,437,407)
(Loss)/Profit on ordinary activities before taxation		(3,265,422)	4,608,064
Tax on (loss)/profit on ordinary activities	8	-	-
(Loss)/Profit for the financial year	15	(3,265,422)	4,608,064

Statement of comprehensive income For the year ended 31 December 2015

	For the year ended 31 December 2015 £	For the year ended 31 December 2014 £
(Loss)/Profit for the financial year	(3,265,422)	4,608,064
Other comprehensive income:		
Total comprehensive (expense)/income for the year	(3,265,422)	4,608,064

Further comments on the profit and loss account line items are presented in notes 1-17 of the financial statements.

Southside & City Developments Limited

Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Stocks	9	15,610,000	27,320,000
Debtors:			
amounts falling due			
within one year	10	176,559	94,974
after more than one year	11	-	252,605
Cash at bank and in hand		177,032	348,225
		<u>15,963,591</u>	<u>28,015,804</u>
Creditors: amounts falling due			
within one year	12	<u>(85,490,515)</u>	<u>(94,277,306)</u>
Net liabilities/assets		<u><u>(69,526,924)</u></u>	<u><u>(66,261,502)</u></u>
Capital and reserves			
Called up share capital	13	1	1
Profit and (loss) account		<u>(69,526,925)</u>	<u>(66,261,503)</u>
Total shareholders' deficit		<u><u>(69,526,924)</u></u>	<u><u>(66,261,502)</u></u>

Southside & City Developments Limited

The financial statements on pages 8 to 17 were approved by the board of directors on 22 September 2016 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'C Klerides', is written over a horizontal line.

C Klerides

Director

.....

Further comments on the balance sheet line items are presented in the notes to the financial statements.

Southside & City Developments Limited

Statement of changes in equity For the year ended 31 December 2015

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
Balance at 1 January 2014	<u>1</u>	<u>(70,869,567)</u>	<u>(70,869,566)</u>
Comprehensive income			
Profit for the financial year and total comprehensive income	-	4,608,064	4,608,064
Balance at 31 December 2014	<u>1</u>	<u>(66,261,503)</u>	<u>(66,261,502)</u>
Balance at 1 January 2015	1	(66,261,503)	(66,261,502)
Comprehensive expense			
Loss for the financial year and total comprehensive expense	-	(3,265,422)	(3,265,422)
Balance at 31 December 2015	<u>1</u>	<u>(69,526,925)</u>	<u>(69,526,924)</u>

Southside & City Developments Limited

Notes to financial statements for the year ended 31 December 2015 (continued)

1. SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102 ('FRS 102') and section 396 of the Companies Act 2006. The principal accounting policies are set out below. The company has taken advantage of early adopting amendments to FRS 102 (issued July 2015). In adopting FRS102, the company has taken the following disclosure exemptions.

In adopting FRS 102, the company has taken the following disclosure exemptions:

- a reconciliation of the number of shares outstanding at the beginning and end of the period;
- the requirement to prepare a statement of cash flows.
- non-disclosure of key management personnel compensation in total.

There is no impact of these changes on the income statement or balance sheet, and so no reconciliation is provided.

The adoption of FRS 102 has not led to any changes in in accounting policies or had any material impact on financial statements.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 6 Grosvenor Street, London, W1K 4PZ

1.2 Cash flow statement

As a small company, Southside & City Developments Limited has taken exemption not to prepare a cash flow statement.

1.3 Stock and work in progress

Land and developments held as trading stock are valued at the lower of direct cost plus attributable overheads, including finance charges, and estimated selling price less cost to complete and sell. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of stocks. Net realisable value is the estimated selling price less applicable variable selling expenses.

1.4 Finance Income/Costs

Interest on bank loans used to fund the development of the site is recognised in the Profit and Loss Account as an expense.

1.5 Financial risk management

The Directors receive quarterly reports from the project managers which review progress on the site and project forward from a financial viewpoint to see anticipated sales and financial returns.

1.6 Turnover

Turnover represents sale of the company's trading stock of land and developments and is recognised at the point at which the significant risk and rewards of ownership have passed to the buyer which is usually at completion.

Southside & City Developments Limited

Notes to financial statements for the year ended 31 December 2015 (continued)

Significant accounting policies and judgements (continued)

1.7 Going Concern

The company meets its day to day working capital requirements through the infrastructure and Enabling facilities provided by HSBC and related Company Laing O'Rourke Treasury Limited and cash proceeds from the sale of assets.

As a result of the default on the terms of the Company's facilities noted below, all facilities became repayable on demand in 2014. As at the date of approval of the financial statements the Company has received no indication from the lenders that they intend to invoke their rights under the facilities and demand repayment of the debt within the next 12 months, and therefore the facilities remain available to the Company.

The Company has exchanged contracts to sell its remaining property assets. The Company will be required to carry out certain infrastructure works on portions of the land as a condition of sale and intend to utilise the infrastructure facility to assist with any working capital funding needed for this work. This work is expected to last for a period of more than 12 months from the date of these financial statements. The Directors believe their approach maximises the amount of cash available to repay the company's lenders.

The expectation of the Directors is that, following disposal of the final parcel of land and the completion of any required infrastructure work the liabilities of the company will have been discharged to the maximum extent possible and the company will be dissolved. The Directors are of the understanding that the lenders support such an orderly disposal of assets and will therefore allow such a process to take place without demanding repayment of the debt within the next 12 months.

These financial statements do not include any adjustments to the carrying amounts of assets and liabilities, reported amounts of income and expenses, and balance sheet classifications used, that could arise in the event that a demand for repayment of the facilities is received. The conditions surrounding the facilities indicate the existence of a material uncertainty, which may cast significant doubt as to the Company's future ability to continue as a going concern.

However, management believes that the Company will be able to continue its operating activities until all its assets have been sold and therefore have prepared these financial statements on a going concern basis. In making this judgment, management have considered the facts available to date and that no indication has been received from the lenders that repayment will be sought within a period of 12 months from the date of approval of the financial statements.

2 Employees and directors

There were two employees (including directors) during the year (year ended 31 December 2014: two). Director emoluments amounted to £31,228 for the year. (Year ended 31 December 2014: £23,324).

3 Financial Status

The company, together with its sister company KDC Properties Limited successfully restructured its existing debt facilities on 15 December 2011. The senior debt of the Company was bifurcated into £19,575,542 of 'Senior debt' and £67,158,707 of 'Payment In Kind ('PIK') notes'. As part of the restructure, the Company, together with its sister company, KDC Properties Limited have been provided two further funding facilities, a 'Super Senior' facility of £6,000,000 and an 'Enabling Facility' of £4,500,000 which was subsequently increased to £5,500,000. At 31 December 2015 the Super Senior facility was fully paid up and the Enabling Facility was drawn by £3,953,000.

The above facilities allowed the Company and KDC Properties Limited a seven year period from December 2011 to improve the planning consent, perform limited infrastructure work and sell the land as undeveloped lots. The seven year repayment period is conditional on two debt repayment milestones at the end of the third and fifth anniversary of the debt being restructured.

Southside & City Developments Limited

Notes to financial statements for the year ended 31 December 2015 (continued)

3 Financial status (continued)

At the date of the third anniversary, December 2014, a delay in the approval by one of the senior lenders ("the objecting lender") to approve the sale of property assets caused the companies to miss one of the debt repayment milestones. The company therefore was in technical default of the terms of the facilities and consequently the facilities became repayable on demand. No subsequent action has been taken by any of the senior lenders to accelerate the repayment of the senior debt. However, as a result of the default the facilities have been reclassified on the balance sheet as to amounts owed within one year at 31 December 2014 and at 31 December 2015.

During 2015 the objecting lender has approved the proposed sale of these and other property assets and the sale of those assets was completed as planned. However the company's loan facilities remain in technical default.

Since the year end the facilities have remained in place and lenders have allowed the Company to draw down additional funding on its infrastructure and enabling funding lines.

As at the date of approval of the financial statements the company has received no indication from the lenders that they intend to invoke their rights under the facilities and demand repayment of the debt within the next 12 months, and therefore the facilities remain available to the company.

4 Impairment Charge

	2015 £	2014 £
(Impairment)/ release of impairment against work-in-progress	<u>(1,022,583)</u>	<u>6,415,355</u>

During 2015 and 2014 the historical impairment has been (increased)/reduced to reflect the current estimated net realisable value of the site.

5 Operating (loss)/profit

Operating loss stated after charging:

	2015 £	2014 £
Services provided by the Company's auditors - fees payable for the audit	<u>40,000</u>	<u>41,500</u>

6 Interest receivable and similar income

	2015 £	2014 £
Interest received on bank account	<u>1,151</u>	<u>-</u>

7 Interest payable and similar charges

	2015 £	2014 £
Senior debt interest and interest on other loans	<u>1,687,783</u>	<u>1,437,407</u>

Southside & City Developments Limited

Notes to financial statements for the year ended 31 December 2015 (continued)

8 Tax on (loss)/profit on ordinary activities

	2015	2014
	£	£
Cyprus corporation tax		
Current tax on income for the year		

The tax assessed for the year is equal to (2014: higher than) the standard rate of corporation tax in Cyprus 12.5% (2014:12.5%).

Tax reconciliation	2015	2014
	£	£
(Loss)/Profit on ordinary activities before taxation	(3,265,422)	4,608,064
(Loss)/Profit on ordinary activities before taxation multiplied by rate of corporation tax in Cyprus of 12.5% (2014: 12.5%)	(408,178)	576,008
Tax effect of tax losses carried forward	-	9,846
Losses not recognised	408,178	216,065
Tax effect of income not taxable for tax purposes	-	(801,919)
Total taxation charge	-	-

The directors do not consider the deferred tax on losses is recoverable with sufficient certainty to recognise an asset. The Company is a Cypriot tax resident company, and will be subject to rates and law applicable within the Cyprus tax jurisdiction.

9 Stocks

Stocks	2015	2014
	£	£
Work in progress	15,610,000	27,320,000
	15,610,000	27,320,000

During the year, the historical impairment has been increased to reflect the expected sales proceeds for the site. This is based on sales contracts entered into during and subsequent to the year for all of the Company's work in progress less the latest estimate of expected costs that the company is required to incur prior to completion of the sales, e.g. commitments to carry out infrastructure works on the site.

Southside & City Developments Limited

Notes to financial statements for the year ended 31 December 2015 (continued)

10 Debtors: amounts falling due within one year

	2015	2014
	£	£
Other debtors	149,384	22,915
Prepayments and accrued income	27,175	72,059
	<u>176,559</u>	<u>94,974</u>

11 Debtors: amounts falling due after more than one year

	2015	2014
	£	£
S&CD Developments Ltd	154,907	125,660
Impairment of intercompany balance	(154,907)	-
KDC Properties Ltd	-	126,945
Other debtors	-	-
	<u>-</u>	<u>252,605</u>

The inter-company balances were unsecured, interest free and repayable upon demand. The inter-company debtor arose from expenses incurred on its behalf and is not anticipated to be recoverable.

12 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	103,883	211,068
Senior debt loan and rolled up interest	9,105,409	20,801,110
Infrastructure loan	-	1,112,213
Enabling Facility loan	3,953,000	3,253,000
Interest on enabling facility and infrastructure loan	2,311,627	1,680,604
PIK Notes	66,766,564	67,158,706
KDC Properties Ltd	3,210,032	-
Accruals and deferred income	40,000	60,605
	<u>85,490,515</u>	<u>94,277,306</u>

The Company is a joint borrower with its sister company, KDC Properties Limited for all facilities.

Southside & City Developments Limited

Notes to financial statements for the year ended 31 December 2015 (continued)

12 Creditors: amounts falling due within one year (continued)

The Senior Debt Loan was for a three year period and the Company, together with KDC Properties Limited, with the right to extend for a further two year period under the condition that the combined debt has been reduced by 25% at the end of the three year term. As explained in the directors report, while this reduction was not achieved within the required timescale as a result of the action of the lenders, the lenders continue to support the company. The reduction was subsequently achieved during 2015.

The Senior Debt Loan and PIK notes are secured over the development site included within work in progress £15,610,000 (2014: £27,320,000). The Senior Debt Loan accrues interest at 4% over the Bank of England base rate.

The Enabling Facility loan is a £4,500,000 loan facility, increased to £5,500,000 in the year, attracting a fixed 17.5% interest rate on amounts drawn. £3,953,000 of this facility was drawn at 31 December 2015 (2014: £3,253,000).

The Company also benefits from a Super Senior Infrastructure loan facility of £6,000,000 which was fully paid up at 31 December 2015 (2014: £1,112,213). The loan facility attracts interest at a fixed 11.0% rate on amounts drawn.

Since the year end the company has exchanged contracts for the sale of its various remaining land assets which will complete in late 2016 and 2017. The proceeds will be used to repay senior debt and interest as well as all of the amounts drawn to date on the company's 'Super senior'/Infrastructure and enabling loan facilities.

13 Called up share capital

Called up share capital	2015 £	Number	2014 £
Authorised			
100 (2014:100) ordinary shares of £1 each	<u>100</u>		<u>100</u>
Allotted and fully paid			
1 (2014:1) ordinary shares of £1 each	<u>1</u>		<u>1</u>

14 Ultimate parent undertaking

The immediate parent undertaking is S&CD Developments Limited a company registered in Cyprus.

The ultimate parent company and controlling party of S&CD Developments Limited is Suffolk Partners Corporation a company registered in the British Virgin Islands.

These separate financial statements contain information about Southside & City Developments Limited as an individual company. No consolidated financial statements are prepared.

15 Related party transactions

Loan interest payable of £1,196,510 (2014: £953,046) is payable to Laing O'Rourke Treasury.

During the year the Company paid £300,000 (2014: £300,000) of management fees to Augur Group Limited.