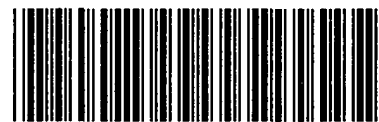


# Financial Statements Sackville Developments (Reading) Limited

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**For the year ended 31 March 2015**

THURSDAY



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23/07/2015

#17

**Registered number: 05320888**

**Sackville Developments (Reading) Limited**

## Company Information

<b>Directors</b>	D J Camp S C Camp N Waring J D Leo
<b>Registered number</b>	05320888
<b>Registered office</b>	Norfolk House 31 St James's Square London SW1Y 4JJ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
<b>Bankers</b>	The Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HP
<b>Solicitors</b>	Shearman & Sterling LLP Broadgate West 9 Appold Street London EC2A 2AP

**Sackville Developments (Reading) Limited**

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# Directors' Report

For the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

## **Directors' responsibilities statement**

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## **Directors**

The directors who served during the year were:

D J Camp  
S C Camp  
N Waring (appointed 1 October 2014)  
J De Leo  
P Irons (resigned 1 October 2014)

## **Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Sackville Developments (Reading) Limited**

# Directors' Report

For the year ended 31 March 2015

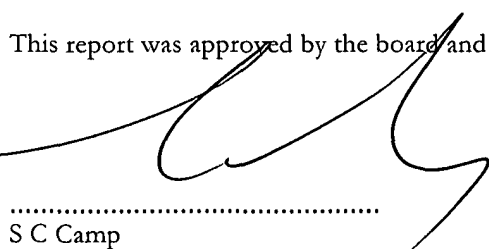
## **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

## **Small companies exemptions**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
S C Camp  
Director

Date: 17 JULY 2015

## Independent Auditor's Report to the Members of Sackville Developments (Reading) Limited

We have audited the financial statements of Sackville Developments (Reading) Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. 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 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 members 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 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 31 March 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.

### **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.



## Independent Auditor's Report to the Members of Sackville Developments (Reading) Limited

### **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 from the requirement to prepare a strategic report or in preparing the Directors' report.

*Grant Thornton UK LLP*

Philip Westerman (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Date: 17 JULY 2018

## Profit and Loss Account

For the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover		903,645	875,424
Cost of sales		(283,175)	(261,790)
<b>Gross profit from rental</b>	1	<b>620,470</b>	613,634
Other cost of sales - planning and development fees		-	(272,849)
<b>Gross profit</b>		<b>620,470</b>	340,785
Administrative expenses		(654,354)	(711,562)
<b>Operating loss</b>	2	<b>(33,884)</b>	(370,777)
Interest receivable and similar income		2,421	2,591
Interest payable and similar charges	4	(1,228,074)	(1,267,684)
<b>Loss on ordinary activities before taxation</b>		<b>(1,259,537)</b>	(1,635,870)
Tax on loss on ordinary activities		-	-
<b>Loss for the financial year</b>		<b>(1,259,537)</b>	(1,635,870)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 and 2014 other than those included in the Profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.



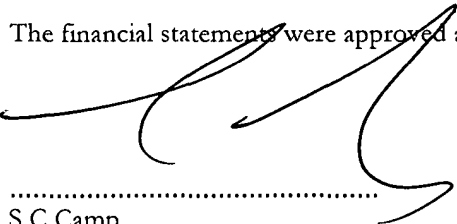
## Balance Sheet

As at 31 March 2015

	Note	£	2015 £	2014 £
<b>Current assets</b>				
Work in progress	5	19,419,707	16,390,586	
Debtors	6	450,235	302,969	
Cash at bank		2,607,458	826,299	
		<u>22,477,400</u>	<u>17,519,854</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,659,827)</u>	<u>(978,597)</u>	
<b>Net current assets</b>			<u>20,817,573</u>	<u>16,541,257</u>
<b>Total assets less current liabilities</b>			<u>20,817,573</u>	<u>16,541,257</u>
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(25,002,147)</u>	<u>(19,466,294)</u>	
<b>Net liabilities</b>		<u><u>(4,184,574)</u></u>	<u><u>(2,925,037)</u></u>	
<b>Capital and reserves</b>				
Called up share capital	9	500	500	
Share premium account	11	24,899,502	24,899,502	
Profit and loss account		<u>(29,084,576)</u>	<u>(27,825,039)</u>	
<b>Shareholders' deficit</b>	10	<u><u>(4,184,574)</u></u>	<u><u>(2,925,037)</u></u>	

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
S C Camp  
Director

Date: 17/7/15

The notes on pages 7 to 12 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 March 2015

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

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

### **1.2 Going concern**

The financial statements are prepared on a going concern basis, notwithstanding the company's net liabilities, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by the company's shareholders. The shareholders have provided the company with an undertaking for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the company, and in particular will not seek repayment of amounts currently made available.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on this undertaking the directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

### **1.3 Work in progress**

Trading and development properties are included as work in progress and are stated at the lower of cost or net realisable value. Disposals are recognised on completion, with profit and losses arising being recognised through the profit and loss account. If properties held for trading are appropriated to investment, they are transferred from stock at book value. Any impairments are recognised in the profit and loss account in the year in which they are incurred.

Planning and development fees incurred in the process of obtaining planning permission are expensed to the profit and loss account prior to planning permission being granted.

### **1.4 Turnover**

Turnover comprises rent and other property related income invoiced to tenants, exclusive of Value Added Tax.

### **1.5 Interest-bearing loans and borrowings**

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received. Costs of raising loans are capitalised and amortised over the life of the loan.

### **1.6 Cash flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

# Notes to the Financial Statements

For the year ended 31 March 2015

## 1. Accounting Policies (continued)

### 1.7 Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

## 2. Operating loss

During the year, no director received any emoluments (2014 - £NIL).

## 3. Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	8,000	7,500
Fees payable to the company's auditor in respect of:		
Preparation of financial statements	550	500
Taxation compliance services	5,900	5,750
	<u>13,450</u>	<u>13,750</u>

## 4. Interest payable

	2015 £	2014 £
On bank loans and overdrafts	152,122	169,737
On shareholder loans	1,075,952	1,097,947
	<u>1,228,074</u>	<u>1,267,684</u>

Details of interest on shareholder loans are given in note 8.

## 5. Work in progress

	2015 £	2014 £
Work in progress	19,419,707	16,390,586

# Notes to the Financial Statements

For the year ended 31 March 2015

## 6. Debtors

	2015	2014
	£	£
Trade debtors	42,993	12,745
Prepayments and accrued income	90,173	108,026
Other debtors	162,368	158,787
VAT recoverable	154,701	23,411
	<u>450,235</u>	<u>302,969</u>

## 7. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Bank loan	160,000	160,000
Bank loan interest	24,296	28,731
Trade creditors	473,823	324,620
Accruals and deferred income	1,001,708	465,246
	<u>1,659,827</u>	<u>978,597</u>

## 8. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loan	4,253,465	4,393,563
15%/12% shareholders' loan	9,648,682	8,572,731
0% shareholders' loan	11,100,000	6,500,000
	<u>25,002,147</u>	<u>19,466,294</u>

# Notes to the Financial Statements

For the year ended 31 March 2015

## 8. Creditors:

### Amounts falling due after more than one year (continued)

On 11 August 2011, the Company obtained a 5 year bank loan facility from Barclays Bank PLC of £5,000,000. The loan incurs interest at 3 Month LIBOR and margin of 2.25% pa which is paid on a quarterly basis together with the repayment of £40,000 per quarter. As at 31 March 2015, the notional amount outstanding on the bank loan is £4,440,000. Within the bank loan are issue costs that remain unamortised at £26,535. Barclays Bank PLC has been granted security by way of a legal mortgage on all monies due or to become due from the company in relation to the Garrard Street Car Park.

The shareholders' 15%/12% loan is a loan from Bensell Finance III B.V., a Netherlands registered company and a subsidiary of one of the shareholders. The loan incurred 15% pa interest, up to 12 December 2013 after which it accrues at 12% pa. Interest is capitalised on a quarterly basis on 28 February, 31 May, 31 August and 30 November.

The shareholders' 0% loan are loans from Bensell Finance III B.V., a Netherlands registered company and a subsidiary of one of the shareholders and from Stanhope (Station Hill) Limited, a shareholder of the company. See note 14 for further details.

## 9. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
250 Ordinary A shares of £1 each	250	250
250 Ordinary B shares of £1 each	250	250
	<hr/>	<hr/>
	500	500
	<hr/>	<hr/>

## 10. Reconciliation of movement in shareholders' deficit

	2015 £	2014 £
Opening shareholders' deficit	(2,925,037)	(1,289,167)
Loss for the financial year	(1,259,537)	(1,635,870)
	<hr/>	<hr/>
Closing shareholders' deficit	(4,184,574)	(2,925,037)
	<hr/>	<hr/>

## 11. Share premium account

	£
At 1 April 2014 and 31 March 2015	24,899,502
	<hr/>

## Notes to the Financial Statements

For the year ended 31 March 2015

### 12. Capital commitments

The company has no capital commitments as at 31 March 2015 or 31 March 2014.

### 13. Contingent liabilities

The company has no contingent liabilities as at 31 March 2015 or 31 March 2014.

### 14. Related party transactions

The company has loan arrangements with Bensell Finance III BV, a subsidiary of Cooperatie Bensell Real Estate Investment III BA (a 50% shareholder of the company) and Stanhope (Station Hill) Limited, as disclosed in note 8.

Loans outstanding (inclusive of interest) from related companies:

	2015	2014
	£	£
Bensell Finance III BV (15%/12% loan)	5,645,582	5,645,582
Bensell Finance III BV (0% loan)	5,550,000	3,250,000
Stanhope (Station Hill) Limited (0% loan)	5,550,000	3,250,000

During the year, £2,300,000 of additional 0% loans were issued by each of Stanhope (Station Hill) Limited and Bensell Finance III B.V.

## Notes to the Financial Statements

For the year ended 31 March 2015

### 14. Related party transactions (continued)

Interest payable on the 15%/12% loan:

	2015 £	2014 £
Bensell Finance III BV (15%/12% loan)	<u>4,003,101</u>	<u>2,927,149</u>

Interest of £1,075,952 was charged on these loans for the year ended 31 March 2015 (2014: £1,097,947), this was outstanding accrued interest at the year end.

During the year, the company was charged £440,000 (2014: £440,000) for development management fees by Stanhope plc, a related company of one of the shareholders.

The company was also charged £53,369 (2014: £44,199) for asset management fees by Benson Elliot Services Limited, a related company of one of the shareholders.

### 15. Ultimate parent undertaking and controlling party

The company is owned 50:50 by Stanhope (Station Hill) Limited and Cooperatie Bensell Real Estate Investment III BA. Due to the deadlock provisions, no shareholder has control and there is no ultimate parent company.