

Sackville Property Investments Limited

Report and Financial Statements

Year Ended

30 September 2015

Company Number 06230958

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Sackville Property Investments Limited

**Report and financial statements
for the year ended 30 September 2015**

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Directors

Sir R J Madejski OBE DL (Chairman)
N Howe
I M Wood-Smith
I Smith

Secretary and registered office

I M Wood-Smith, 1 London Street, Reading, Berkshire, RG1 4QW

Company number

06230958

Sackville Property Investments Limited

Report of the directors for the year ended 30 September 2015

The directors present their report together with the unaudited financial statements for the year ended 30 September 2015.

Results and dividends

The profit and loss account is set out on page 3 and shows the loss for the year.

The directors do not recommend a dividend.

Principal activities, trading review and future developments

The principal activity of the company is property investment, principally industrial and commercial properties.

The company has sold all of its investments and is no longer trading.

Use of financial instruments

The company has funded its property acquisitions by way of loans from RBS and the majority shareholder. The interest rate risk is mitigated through the use of interest rate hedge contracts.

Directors

The following directors served during the period:

Sir R J Madejski OBE DL (Chairman)
N Howe
I M Wood-Smith
I Smith

Sackville Property Investments Limited

Report of the directors for the year ended 30 September 2015 (*continued*)

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 period. 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 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 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.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the Board



I Smith
Director

Date 22nd JUNE 2016

Sackville Property Investments Limited

Profit and loss account for the year ended 30 September 2015

	Note	2015 £	2014 £
Turnover	2	-	-
Gross profit		-	-
Administrative expenses		(25,974)	(149,980)
Other operating income		-	-
Operating loss before impairment and provision against amount due from group company		(25,974)	(149,980)
Provision against amount due from group companies		-	(5,541,244)
Impairment of investments		-	-
Operating loss	5	(25,974)	(5,691,224)
Interest payable and similar charges	6	-	(1,004)
Interest receivable and similar income		-	16,678
Loss on ordinary activities before taxation		(25,974)	(5,675,550)
Taxation on loss from ordinary activities	7	-	-
Loss on ordinary activities after taxation	12	(25,974)	(5,675,550)

All amounts relate to continuing activities.

There were no recognised gains and losses other than the loss for the year.

The notes on pages 5 to 10 form part of these financial statements.

Sackville Property Investments Limited

Balance sheet at 30 September 2015

Company number 06230958	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Investments	8		19		19
Current assets					
Debtors	9	50,002		75,976	
Cash at bank and in hand		-		101,634	
		<u>50,002</u>		<u>177,610</u>	
Creditors: amounts falling due within one period	10	<u>(64,519,652)</u>		<u>(64,621,286)</u>	
Net current liabilities			<u>(64,469,650)</u>		<u>(64,443,676)</u>
			<u>(64,469,631)</u>		<u>(64,443,657)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		<u>(64,469,633)</u>		<u>(64,443,659)</u>
Shareholders' deficit			<u>(64,469,631)</u>		<u>(64,443,657)</u>

For the year ended 30 September 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The unaudited financial statements were approved by the Board of Directors and authorised for issue on 22nd June 2016



I Smith
Director

The notes on pages 5 to 10 form part of these financial statements.

Sackville Property Investments Limited

Notes forming part of the financial statements for the year ended 30 September 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on a going concern basis. The company recorded a loss after taxation of £25,974 (2014 – £5,675,550) for the year, had net current liabilities of £64,515,737 (2014 - £64,469,650), and had net liabilities of £64,469,631 (2014 - £64,443,657) at the balance sheet date.

The company has ceased trading and will become dormant in the future pending its dissolution.

Consolidated financial statements

The company is exempt from the requirements to prepare consolidated financial statements under the Companies Act 2006 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 "Cash Flow Statements (revised 1996)" not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Sackville Properties Limited and that the company is included in its consolidated financial statements.

Sackville Property Investments Limited

Notes forming part of the financial statements
for the year ended 30 September 2015 (*continued*)

1 Accounting policies (*continued*)

Turnover

Turnover represents management fees received from the subsidiary companies.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

2 Turnover

Turnover comprises management fees charged to the subsidiary property holding companies.

3 Employees

The company had no employees during the period other than the directors.

4 Directors

None of the directors received any emoluments for their services as directors during the period.

5 Operating loss

	2015 £	2014 £
This has been arrived at after charging:		
Management fees payable to related company (see note 14)	-	-
Auditors' remuneration	-	-
Provision against amount due from group company	-	-
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Sackville Property Investments Limited

Notes forming part of the financial statements
for the year ended 30 September 2015 (*continued*)

6 Interest payable and similar charges

	2015 £	2014 £
Other charges	-	1,004
	<u>-</u>	<u>1,004</u>

7 Taxation on loss from ordinary activities

	2015 £	2014 £
<i>Current tax</i>		
UK corporation tax (credit)/charge on loss of the year	-	-
Adjustment arising in respect of prior year	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2015 £
Loss on ordinary activities before tax	(25,974)	(5,675,550)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 22% (2014 – 23.67%)	(5,714)	(1,248,466)
Effects of:		
Expenses not deductible for tax purposes	5,714	1,782,925
Income not taxable for tax purposes	-	(1,360,947)
Chargeable gains/losses	-	237,011
Group relief surrendered/(claimed)	-	17,596
Unrelieved tax losses and other deductions arising in year	-	571,881
	<u>-</u>	<u>-</u>
Current tax charge/(credit) for year	-	-

The company has an unrecognised deferred tax asset of £4,553,646 (2014 - £4,553,646) in respect of tax losses and other timing differences of approximately £22,768,228 (2014 - £22,768,228). The deferred tax asset has not been recognised as in the opinion of the directors there is insufficient evidence of the recoverability.

Sackville Property Investments Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

8 Investments

	Investment in subsidiary companies £	Total £
At 1 October 2014	19	19
Additions	-	-
Disposals	-	-
Impairment	-	-
	<hr/>	<hr/>
At 30 September 2015	19	19
	<hr/>	<hr/>

Investments in subsidiary companies are shown at cost. The principal subsidiary companies owned at 30 September 2015 are:

	Ordinary Shares Held £	Proportion of share capital held %
Sackville Properties (Ashby) Limited	2	100
Sackville Properties (Normanton) Limited	2	100
Sackville Properties (Port Talbot) Limited	2	100
Sackville Properties (Cardiff) Limited	2	100
Sackville Properties (Swindon) Limited	2	100
Sackville Properties (Harlow) Limited	2	100
Sackville Properties (Deeside) Limited	2	100
Sackville Properties (Hook) Limited	2	100
Sackville Properties (Cadogan House) Limited	1	100
Sackville Properties (Thames Valley) Limited	2	100

All subsidiary companies are incorporated in the United Kingdom. All of the subsidiary companies have ceased trading and will be liquidated in due course.

9 Debtors

	2015 £	2014 £
Unpaid share capital	2	2
Other debtors	50,000	75,974
	<hr/>	<hr/>
	50,002	75,976
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Sackville Property Investments Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loan	34,389,295	34,449,291
Trade creditors	-	7,174
Other taxation	-	34,465
Accruals	8,019,460	8,019,460
Other loan	22,110,897	22,110,897
	<u>64,519,652</u>	<u>64,621,286</u>

The bank loans are due to Royal Bank of Scotland.

11 Share capital

	2015 Number	2015 £	2014 Number	2014 £
<i>Allotted, called up and unpaid</i>				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12 Reserves

	Profit and loss account £
At 1 October 2014	(64,443,659)
Loss for the year	(25,974)
	<u>(64,469,633)</u>
At 30 September 2015	<u>(64,469,633)</u>

Sackville Property Investments Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

13 Reconciliation of movement in shareholders' deficit

	2015 £	2014 £
Loss for the year	(25,974)	(5,675,550)
Opening shareholders' deficit	(64,443,657)	(58,768,107)
	<hr/>	<hr/>
Closing shareholders' deficit	(64,469,631)	(64,443,657)
	<hr/>	<hr/>

14 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, "Related Party Disclosures", not to disclose transactions with members of the group headed by Sackville Properties Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

The company entered into a management agreement with Sackville Property Management Limited, a related company, in respect of management services for the property portfolio. Fees payable under this agreement for the period were £ NIL (2014 - £66,343).

The company has a loan arrangement with the majority shareholder of the ultimate parent company. The key terms are summarised in note 10 above.

During the period, total fees of £ NIL (2014 - £1,504) were charged by Field Seymour Parkes, a legal firm in which I M Wood-Smith is a partner. No amounts were outstanding at 30 September 2015.

15 Ultimate parent company and controlling party

The ultimate controlling party is Sir R J Madejski OBE, DL.