

Company Registration No. SC192482 (Scotland)

**SANTON GROUP DEVELOPMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2015**



# **SANTON GROUP DEVELOPMENTS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	B. S. Sandhu V. Donelly S. Carey Santon Close Nominees Limited Santon Management Limited
<b>Secretaries</b>	S. Carey R. Patel
<b>Company number</b>	SC192482
<b>Registered office</b>	c/o DLA Rutland Square Edinburgh Lothians EH1 2AA EH3 9WJ
<b>Auditors</b>	Gerald Edelman 73 Cornhill London EC3V 3QQ
<b>Business address</b>	Santon House 53/55 Uxbridge Road Ealing London W5 5SA

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# **SANTON GROUP DEVELOPMENTS LIMITED**

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# **SANTON GROUP DEVELOPMENTS LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 APRIL 2015***

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The directors present the strategic report and financial statements for the year ended 30 April 2015.

### **Review of the business**

Turnover decreased from £92.6 million to £82.5 million as a result of fewer property disposals. Operating Profit decreased from £8.7 million to £7.2 million.

At 30 April 2015, the company had £371 million of commercial development stock on its books (2014 - £437 million). These property development activities are principally financed by bank loans and overdrafts. At 30 April 2015, bank loans and overdrafts amounted to £343 million (2014 - £412 million) and are secured by first charges over the company's development properties. A summary of loans at the year end, including loan maturity analysis, is set out in Note 10. The company continues to maintain an excellent relationship with its funders.

### **Prospects**

The directors continue to look for potential development opportunities and the company is well placed, with its experienced multi disciplinary team and with the support of its bank, to exploit these opportunities in the coming years.

On behalf of the board



S. Carey

**Director**

21 October 2015

# **SANTON GROUP DEVELOPMENTS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2015**

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The directors present their report and financial statements for the year ended 30 April 2015.

#### **Principal activities**

The principal activity of the company continued to be that of property development.

#### **Results and dividends**

The results for the year are set out on page 6.

No dividends were declared or paid during the year.

#### **Directors**

The following directors have held office since 1 May 2014:

B. S. Sandhu  
V. Donelly  
S. Carey  
Santon Close Nominees Limited  
Santon Management Limited

#### **Going concern**

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended year ended 30 April 2015.

#### **Auditors**

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 judgements 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.

# **SANTON GROUP DEVELOPMENTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**


***FOR THE YEAR ENDED 30 APRIL 2015***

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S. Carey

**Director**

21 October 2015

# **SANTON GROUP DEVELOPMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SANTON GROUP DEVELOPMENTS LIMITED**

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We have audited the financial statements of Santon Group Developments Limited for the year ended 30 April 2015 set out on pages 6 to 11. 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).

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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 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. 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.

#### **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 30 April 2015 and of its 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.

#### **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.

# **SANTON GROUP DEVELOPMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF SANTON GROUP DEVELOPMENTS LIMITED**

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#### **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.



**Hiten Patel FCCA (Senior Statutory Auditor)  
for and on behalf of Gerald Edelman**

21 October 2015

**Chartered Accountants  
Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ



# SANTON GROUP DEVELOPMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2015

	Notes	2015 £	2014 £
Turnover	2	82,477,147	92,612,018
Cost of sales		(73,297,103)	(81,602,714)
Gross profit		9,180,044	11,009,304
Administrative expenses		(1,907,589)	(2,266,983)
Operating profit	3	7,272,455	8,742,321
Other interest receivable and similar income	4	36,931	87,972
Interest payable and similar charges	5	(7,251,891)	(8,811,656)
Profit on ordinary activities before taxation		57,495	18,637
Tax on profit on ordinary activities	6	(6,667)	(3,727)
Profit for the year	12	50,828	14,910

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# SANTON GROUP DEVELOPMENTS LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2015

	Notes	2015 £	£	2014 £	£
<b>Current assets</b>					
Stocks	7	371,143,337		437,136,559	
Debtors	8	4,850,305		5,405,941	
Cash at bank and in hand		10,153,837		17,151,897	
		<u>386,147,479</u>		<u>459,694,397</u>	
<b>Creditors: amounts falling due within one year</b>	9	(41,996,918)		(46,580,264)	
<b>Total assets less current liabilities</b>		344,150,561		413,114,133	
<b>Creditors: amounts falling due after more than one year</b>	10	(343,518,573)		(412,532,973)	
		<u>631,988</u>		<u>581,160</u>	
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Profit and loss account	12	631,986		581,158	
<b>Shareholders' funds</b>	13	<u>631,988</u>		<u>581,160</u>	

Approved by the Board and authorised for issue on 21 October 2015



S. Carey  
Director

Company Registration No. SC192482

# SANTON GROUP DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2015

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover comprises the sales value of property developments, property rents receivable and development income where this can be reliably measured at the period end.

#### 1.4 Stock

Stock, comprising development projects, is stated at the lower of cost and net realisable value. Cost comprises direct costs of purchase and development. Net realisable value is defined as estimated selling price less all further costs of developments and estimated expenses.

#### 1.5 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.6 Capital instruments

Costs that are incurred directly in connection with a capital instrument are charged to profit and loss account over the life of the instrument with the unamortised balance carried forward and deducted from the carrying value of the capital instrument in accordance with Financial Reporting Standard No 25.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	17,000	23,000

# SANTON GROUP DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

<b>4</b>	<b>Investment income</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Bank interest	36,931	87,972
		<u>36,931</u>	<u>87,972</u>
<b>5</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	7,251,891	8,811,656
		<u>7,251,891</u>	<u>8,811,656</u>
<b>6</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	6,667	3,727
		<u>6,667</u>	<u>3,727</u>
	<b>Total current tax</b>	<b>6,667</b>	<b>3,727</b>
		<u>6,667</u>	<u>3,727</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	57,495	18,637
		<u>57,495</u>	<u>18,637</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	11,499	3,727
	Effects of:		
	Group relief	(4,832)	-
		<u>(4,832)</u>	<u>-</u>
	<b>Current tax charge for the year</b>	<b>6,667</b>	<b>3,727</b>
		<u>6,667</u>	<u>3,727</u>
<b>7</b>	<b>Stocks</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Development properties	371,143,337	437,136,559
		<u>371,143,337</u>	<u>437,136,559</u>

# SANTON GROUP DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

8 Debtors	2015 £	2014 £
Amounts owed by group undertakings	2,754,404	2,738,404
Other debtors	5,303	103,844
Prepayments and accrued income	2,090,598	2,563,693
	<u>4,850,305</u>	<u>5,405,941</u>

9 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	147,085	448,821
Corporation tax	6,667	3,727
Other taxes and social security costs	-	4,266,069
Other creditors	35,262,511	33,803,874
Accruals and deferred income	6,580,655	8,057,773
	<u>41,996,918</u>	<u>46,580,264</u>

10 Creditors: amounts falling due after more than one year	2015 £	2014 £
Bank loans	<u>343,518,573</u>	<u>412,532,973</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>343,518,573</u>	<u>412,532,973</u>
	<u>343,518,573</u>	<u>412,532,973</u>

The loans are secured by a fixed charge over the company's development properties and by a floating charge over its undertakings and assets.

11 Share capital	2015 £	2014 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

# SANTON GROUP DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

### 12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2014	581,158
Profit for the year	50,828
Balance at 30 April 2015	631,986

### 13 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	50,828	14,910
Opening Shareholders' funds	581,160	566,250
Closing Shareholders' funds	631,988	581,160

### 14 Employees

#### Number of employees

There were no employees during the year apart from the directors.

### 15 Control

The parent company is Santon Capital Plc, a company registered in England and Wales and controlled by B.S. Sandhu. Santon Capital Plc prepares group financial statements and copies can be obtained from Companies House.

### 16 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.