

Registered number: 04281295

Supported Living Options Limited

Abbreviated accounts

31 January 2014





**Independent auditor's report to Supported Living Options Limited
Under section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of Supported Living Options Limited for the year ended 31 January 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 7 have been properly prepared in accordance with the regulations made under that section.

Other information

On 4 August 2014 we reported as auditor to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph:

In forming our opinion of the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The matters explained in note 1 of the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

A handwritten signature in black ink, appearing to read 'Michael Morris'.

Michael Morris ACA FCCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

4 August 2014

Supported Living Options Limited

Abbreviated balance sheet At 31 January 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	2		7,955		8,374
Investment property	3		16,200,000		16,753,368
Investments	4		2		2
			<u>16,207,957</u>		<u>16,761,744</u>
Current assets					
Debtors		55,608		75,761	
Cash at bank		30,241		-	
		<u>85,849</u>		<u>75,761</u>	
Creditors: amounts falling due within one year	5	(14,813,075)		(14,773,033)	
Net current liabilities			<u>(14,727,226)</u>		<u>(14,697,272)</u>
Net assets			<u>1,480,731</u>		<u>2,064,472</u>
Capital and reserves					
Called up share capital	6		998		998
Investment property reserve	7		6,029,496		6,606,506
Profit and loss account			<u>(4,549,763)</u>		<u>(4,543,032)</u>
Shareholders' funds			<u>1,480,731</u>		<u>2,064,472</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 4 August 2014 by:



C Solomon
Director

Company Registration Number: 04281295

The notes on pages 3 to 7 form part of these financial statements.

Supported Living Options Limited

Notes to the abbreviated accounts for the year ended 31 January 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The property valuation included in these financial statements indicates that the company has not complied with all the covenants attached to its bank borrowings which gives rise to potential defaults relating to the bank borrowings and as a consequence of which the related borrowings become repayable on demand.

In the opinion of the Directors, the lender will allow the company to continue to operate under the existing repayment terms which require the company to pay interest monthly. Capital repayments fall due as follows: £543,593 due within 1 year; £2,174,372 due within two to five years from the balance sheet date and £9,755,150 due in more than five years. This has however all been classed as falling due within one year in the financial statements.

The directors have prepared cash flow information covering the period to 30 June 2016. On the basis of this cash flow information and discussions with the company's lenders, the directors consider the company will operate within the facilities expected to be available. Therefore they consider it is appropriate to prepare the financial statements on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts receivable from property rental during the year.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 15% per annum, straight line
Computer equipment	- 33% per annum, straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Supported Living Options Limited

Notes to the abbreviated accounts for the year ended 31 January 2014

1. Accounting policies (continued)

1.6 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19. Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Deferred tax assets are recognised when it is more likely than not that they will be recovered. The company has not adopted a policy of discounting deferred tax assets and liabilities. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is only recognised on revalued investment properties where the company has entered a binding agreement to sell the assets.

Supported Living Options Limited

Notes to the abbreviated accounts for the year ended 31 January 2014

2. Tangible fixed assets

	£
Cost	
At 1 February 2013	529,943
Additions	650
At 31 January 2014	<u>530,593</u>
Depreciation	
At 1 February 2013	521,569
Charge for the year	1,069
At 31 January 2014	<u>522,638</u>
Net book value	
At 31 January 2014	<u>7,955</u>
At 31 January 2013	<u>8,374</u>

3. Investment property

	£
Valuation	
At 1 February 2013	16,753,368
Additions at cost	23,642
Impairment charge (revaluation reserve)	(577,010)
At 31 January 2014	<u>16,200,000</u>
Comprising	
Cost	9,394,214
Revaluation	6,805,786
At 31 January 2014	<u>16,200,000</u>

The latest valuation was performed at 31 January 2014 by Jones Lang LaSalle, on an open market value for existing use basis.

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Notes to the abbreviated accounts for the year ended 31 January 2014

4. Fixed asset investments

	£
Cost or valuation	
At 1 February 2013 and 31 January 2014	2
Net book value	
At 31 January 2014	2
At 31 January 2013	2

Subsidiary undertakings

The following was a dormant subsidiary undertaking of the company:

Name	Class of shares	Holding
Synergistic Equities UK Ltd	Ordinary	100%

The aggregate of the share capital and reserves as at 31 January 2014 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Synergistic Equities UK Ltd	2	-

5. Creditors:

Amounts falling due within one year

Included within creditors due within one year are bank loans and overdrafts of £12,473,115 (2012: £12,827,037) secured on the portfolio of properties.

6. Share capital

	2014 £	2013 £
Authorised		
1,000 Ordinary shares shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
998 Ordinary shares shares of £1 each	998	998

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Notes to the abbreviated accounts for the year ended 31 January 2014

7. Reserves

	Investment property revaluation reserve £
At 1 February 2013	6,606,506
Movement on investment property	(577,010)
At 31 January 2014	<u>6,029,496</u>

8. Transactions with the directors

During the year C Solomon, a director of the company, has operated a loan account with the company to record amounts due to him and amounts drawn by him. The balance at the year end was £130,802 (2013: £130,802), plus accrued interest of £305,852 (2013: £259,067) due by the company. During the year the company was charged interest on the loan of £46,785 (2013: £41,771).

The company occupies premises in which C Solomon has an interest. Rent payable during the year was £15,000 (2013: £15,000).

9. Ultimate parent undertaking and controlling party

The ultimate parent company is Synergistic Equities Limited, a company registered in Belize.