

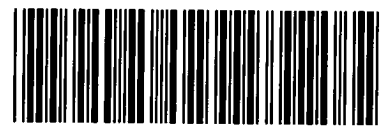
Shandhill Limited

Directors' Report and Financial Statements

Year ended 24 December 2016

Company Registration No. 02235791 (England and Wales)

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COMPANIES HOUSE

Shandhill Limited

Company Information

Directors

J Hazelwood
R Andrew
R R Andrew

Secretary

P L Hamilton

Company number

02235791

Registered office

Kingston Manor
Kingston Gorse
West Sussex
BN16 1RR

Business address

Rustington House
Worthing Road
Rustington
West Sussex
BN16 3PS

Auditors

Kreston Reeves LLP
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Shandhill Limited

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Shandhill Limited

Directors' Report Year ended 24 December 2016

The directors present their report and the financial statements for the year ended 24 December 2016.

Directors

The following directors have held office since 25 December 2015.

N H Andrew (deceased 1 March 2016)

R Andrew

J Hazelwood

R R Andrew

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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.

Principal activities, business review and future developments

The company's principal business activity is property investment and development.

There has been no significant change in the company's activities during the year and the directors are satisfied with the company's trading during the year.

Shandhill Limited

Directors' Report Year ended 24 December 2016

Auditors

All the current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Kreston Reeves LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next directors' meeting.

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

On behalf of the board



R R ANDREW

Director

Date: 13 September 2017

Shandhill Limited

Independent Auditors' Report to the Members of Shandhill Limited

We have audited the financial statements of Shandhill Limited for the year ended 24 December 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

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 Statement of directors' responsibilities 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 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 web-site at www.frc.org.uk/auditscopeukprivate.

Basis for qualified opinion on the financial statements

As disclosed in note 2.10, the company has not provided for a deferred tax liability in respect of timing differences that arise from accelerated capital allowances being available on its investment properties. This is not in accordance with FRS 102 – Section 29 which states that deferred tax should be recognised on such timing differences. At the balance sheet date, the amount of unprovided deferred tax on these timing differences was £14,278 (2015 - £13,401). The inclusion of the deferred tax liability in full in the 2016 financial statements would have decreased the reported profit on ordinary activities after taxation, and reduced retained earnings, by £14,278.

Qualified opinion on the financial statements

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 24 December 2016 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.

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 to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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Graham Hunt BA FCA (Senior Statutory Auditor)
For and on behalf of Kreston Reeves LLP, Statutory Auditor
Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG

Date: 18 September 2017

Shandhill Limited

Statement of Income and Retained Earnings Year ended 24 December 2016

	Notes	2016 £	2015 £
Turnover		700,906	683,847
Property expenses		(362,453)	(362,300)
Net income from property		338,453	321,547
Administrative expenses		(118,155)	(87,789)
Operating profit	4	220,298	233,758
Profit on ordinary activities before taxation		220,298	233,758
Taxation on profit on ordinary activities	6	-	-
Profit for the financial year		220,298	233,758
Opening retained earnings		551,503	317,745
Dividends paid		(350,000)	-
Closing retained earnings		421,801	551,503

There was no other comprehensive income for the year (2015: £nil), other than that reported above, all of which relates to the continuing activities of the company.

The notes on pages 6 to 11 form part of these financial statements.

Shandhill Limited

Balance Sheet As at 24 December 2016

Company number 02235791

	Notes	£	2016 £	£	2015 £
Fixed assets					
Property, plant and equipment	7		5,089,984		4,511,413
Current assets					
Debtors	8	1,636		60,991	
Cash at bank and in hand		11,416		11,412	
		13,052		72,403	
Creditors: amounts falling due within one year	9	(4,513,523)		(3,864,601)	
Net current liabilities			(4,500,471)		(3,792,198)
Net assets			<u>589,513</u>		<u>719,215</u>
Capital and reserves					
Called up share capital	10		167,712		167,712
Profit and loss account			421,801		551,503
Shareholders' funds			<u>589,513</u>		<u>719,215</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities, and were approved and authorised for issue by the Board on 13 September 2017.

R R ANDREW

Director

The notes on pages 6 to 11 form part of these financial statements.

Shandhill Limited

Notes to the Financial Statements Year ended 24 December 2016

1 General information

Shandhill Limited is a company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office and principal place of business is given on the company information page.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland, including Section 1A - small entities ("FRS 102"), and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements are presented in 'sterling', which is the functional currency of the company and all amounts are rounded to the nearest £1.

These financial statements are the first financial statements prepared under FRS 102 and there is no impact to previously reported reserves for first-time adoption of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents gross amounts receivable by the company, under operating leases adjusted for lease incentives, excluding VAT and arising wholly within the United Kingdom. Lease incentives are recognised as an integral part of the net consideration for the leased properties and amortised on a straight line basis over the term of the lease.

Turnover excludes service charges and other costs directly recoverable from tenants.

Turnover-based rents and indexed rents are recognised as turnover in the periods in which they are earned. Rent reviews are recognised when the rent review deed has been agreed with the tenant.

2.3 Expenditure

Irrecoverable running costs directly attributable to specific properties are charged to profit or loss on an accruals basis. Cost incurred on the refurbishment of properties which, in the opinion of the directors, are not of a capital nature are written off to profit or loss on an accruals basis.

Cost not directly attributable to individual properties are charged to profit or loss as administrative expenditure.

2.4 Leased assets

All leases are treated as operating leases. Rentals paid under operating leases are charged to profit or loss on a straight line basis over the term of the lease.

Shandhill Limited

Notes to the Financial Statements Year ended 24 December 2016

2.5 Property, plant and equipment

Investment property is accounted for using the cost model in accordance with Section 17 of FRS 102, on the basis that, in the directors' opinion and in accordance with Section 16.7 of FRS 102, the fair value of investment property cannot be measured reliably without incurring undue cost or effort.

Property, plant and equipment under the cost model is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets, the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repair and maintenance costs are charged to profit or loss during the period in which they are incurred.

Depreciation is charged, where applicable, so as to allocate the cost of assets, less their estimated residual values, over their estimated useful lives as shown below.

Depreciation is provided on the following basis:

Freehold investment property	- If determinable, over the remaining useful life of the asset where estimated residual value is expected to be less than the lower of carrying value or historical cost.
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The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

If the directors consider the realisable value has fallen permanently below cost, their opinion of realisable value is used and any impairment is taken to profit or loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income and losses or administrative expenses in the statement of income and retained earnings.

2.6 Debtors

Debtors receivable within one year and with no stated interest rate are initially recognised at the transaction price.

2.7 Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Basic debt instruments are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment, which, if found, is recognised as an impairment loss in profit or loss.

2.8 Creditors

Creditors payable within one year and with no stated interest rate are initially recognised at the transaction price.

Shandhill Limited

Notes to the Financial Statements Year ended 24 December 2016

2.9 Dividends

Equity dividends are recognised when paid.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is the tax payable or receivable in respect of taxable profit for the current and previous reporting period. The charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax represents future tax consequences of items recognised in the current and previous periods. Timing differences are differences between taxable profit and total comprehensive income as stated in the financial statements.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

As a result of the group's long-standing policy of retaining investment properties for the long term, in the directors' opinion, no timing differences arise in respect of accelerated capital allowances relating to such properties. Consequently, no provision is made for a deferred tax liability in respect of such accelerated capital allowances, which, if made, would be unlikely ever to be reversed and would, therefore, not represent a true and fair view.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date, or that are expected to apply at the date of reversal of the timing difference.

2.11 Going concern

As an ongoing part of the management of the affairs of the company, detailed forecasts and projections are prepared. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, in the opinion of the directors, these financial statements may validly be prepared on a going concern basis.

Shandhill Limited

Notes to the Financial Statements Year ended 24 December 2016

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make estimates, judgements and assumptions when accounting for individual entries in accordance with stated accounting policies. These decisions are made at the time the financial statements are prepared and approved and are based on experience and knowledge of the detailed facts, taking a reasonable view at the time. Actual results could differ from these estimates and judgements, in which case any variance is reflected within the accounting records once it becomes apparent. Information about such judgements and estimation is contained in the accounting policies or the notes to the financial statements and the key areas are summarised below.

Investment properties

Investment property is accounted for using the cost model. In adopting this policy, the directors have made the following judgements and estimates:

- To obtain external valuations would incur undue cost and effort;
- Estimates of property values are used to determine whether impairments are necessary. These estimates take account of prevailing market conditions and other relevant factors.

Residual values

The directors consider the useful life of investment property assets extend far into the future, which makes estimates or residual values very difficult for any degree of accuracy.

4	Operating profit	2016 £	2015 £
	Operating profit is stated after charging:		
	Operating leases	<u>361,502</u>	<u>361,502</u>

Auditors' remuneration is borne by Hargreaves Management Limited, a fellow group company.

5 Employees

Number of employees

There were no employees during the year apart from the directors. There were no emoluments paid to the directors in the current or the previous year.

6	Taxation on profit on ordinary activities	2016 £	2015 £
	Corporation tax		
	Current tax on profits for the year	<u>-</u>	<u>-</u>
	Total current tax	<u>-</u>	<u>-</u>
	Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Shandhill Limited

Notes to the Financial Statements Year ended 24 December 2016

6 Taxation on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax charge for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	220,298	233,758
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015: 20%)	44,060	46,752
<i>Effect of:</i>		
Income and expenses not eligible for tax purposes	2,147	-
Capital allowances in excess of depreciation	(1,418)	(1,597)
Group relief claimed	(44,789)	(45,155)
Total tax charge for the year	-	-

7 Property, plant and equipment

	Freehold Investment properties £
Cost	
At 25 December 2015	4,511,413
Additions	589,306
Impairment	(10,735)
At 24 December 2016	5,089,984

8 Debtors

	2016 £	2015 £
Rents receivable	1,100	100
Amounts owed by group undertakings	-	60,476
Prepayments and accrued income	536	415
	1,636	60,991

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	4,400,642	3,750,000
Other taxes and social security costs	14,116	15,255
Other creditors	15,937	15,933
Rents received in advance	82,828	83,413
	4,513,523	3,864,601

Shandhill Limited

Notes to the Financial Statements Year ended 24 December 2016

10	Share capital	2016 £	2015 £
	Allotted, called up and fully paid		
	167,712 Ordinary shares of £1 each	<u>167,712</u>	<u>167,712</u>

11 Financial commitments

The company has entered into a guarantee in respect of any borrowings with Barclays Bank Plc, of twenty fellow group companies. The total borrowings of the group with the bank amounted to £nil (2015: £nil) at the balance sheet date.

12 Ultimate parent company

The immediate parent of the company is Hargreaves Group Holdings Limited. The UK parent of the largest and smallest group financial statements that consolidate the company is Hargreaves Property Holdings Limited which is registered in England and Wales, whose registered office is, Kingston Manor, Kingston Gorse, West Sussex, BN16 1RR. These group financial statements are available to the public from Companies House. The ultimate parent company is Hargreaves Property Holdings (2015) Limited which is registered in Guernsey.

13 Related party transactions

The company is a wholly owned subsidiary of Hargreaves Property Holdings (2015) Limited and has taken advantage of the exemption conferred by the provisions of FRS 102 Section 1A - small entities, not to disclose transactions with Hargreaves Property Holdings (2015) Limited or wholly owned subsidiaries within the group.

14 First time adoption of FRS 102

The company has adopted FRS 102 for the first time for the year ended 24 December 2016 and has applied Section 35 of the standard, with a date of transition of 25 December 2014. There is no impact to previously reported profits or reserves as a result of first time adoption of FRS102.