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Registered number: 03539002

SHARED EQUITY SECURITIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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SHARED EQUITY SECURITIES LIMITED

COMPANY INFORMATION

DIRECTORS	A M Barker M A Reynolds D C Annetts
COMPANY SECRETARY	Pemberstone (Secretaries) Limited
REGISTERED NUMBER	03539002
REGISTERED OFFICE	Whittington Hall Whittington Road Worcester WR5 2ZX
INDEPENDENT AUDITORS	Hurst & Company Accountants LLP Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD

SHARED EQUITY SECURITIES LIMITED

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SHARED EQUITY SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The company's principal activities during the year were the ownership and management of its participating advances portfolio.

Future developments are likely to be in the same field.

RESULTS

The profit for the year, after taxation, amounted to £42,716 (2013 - £38,988).

An interim dividend on ordinary shares of £175,000 (2013 - £100,000) was paid in the year.

DIRECTORS

The directors who served during the year were:

A M Barker
M A Reynolds
D C Annetts

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;
- 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.

SHARED EQUITY SECURITIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Hurst & Company Accountants LLP, were appointed during the year by the directors.

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 on 10 September 2015 and signed on its behalf.



M A Reynolds
for and on behalf of
Pemberstone (Secretaries) Limited
Secretary

SHARED EQUITY SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHARED EQUITY SECURITIES LIMITED

We have audited the financial statements of Shared Equity Securities Limited for the year ended 31 December 2014, which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, 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).

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, 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 Financial Reporting Council's (FRC'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 Directors' 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 31 December 2014 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 MATTERS 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.

SHARED EQUITY SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHARED EQUITY SECURITIES 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Hurst & Company Accountants LLP

Mike Jackson (Senior statutory auditor)
for and on behalf of

Hurst & Company Accountants LLP, statutory auditor

Stockport
United Kingdom

14 September 2015

Hurst & Company Accountants LLP is a limited liability partnership registered in England and Wales (with registered number OC307113).

SHARED EQUITY SECURITIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Administrative expenses		<u>(150)</u>	<u>(514)</u>
OPERATING LOSS	2	(150)	(514)
Profit on disposal of participating advances		<u>47,153</u>	<u>38,599</u>
TOTAL OPERATING PROFIT		47,003	38,085
Interest receivable and similar income		<u>7,783</u>	<u>9,504</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		54,786	47,589
Tax on profit on ordinary activities	4	<u>(12,070)</u>	<u>(8,601)</u>
PROFIT FOR THE FINANCIAL YEAR	9	<u>42,716</u>	<u>38,988</u>

All amounts relate to continuing operations.

The notes on pages 8 to 11 form part of these financial statements.

SHARED EQUITY SECURITIES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR	42,716	38,988
Unrealised surplus on revaluation of participating advances	<u>69,020</u>	<u>61,053</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>111,736</u></u>	<u><u>100,041</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	54,786	47,589
Realisation of revaluation gains of previous periods	<u>89,971</u>	<u>34,394</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>144,757</u></u>	<u><u>81,983</u></u>
HISTORICAL COST PROFIT FOR THE YEAR AFTER TAXATION	<u><u>132,687</u></u>	<u><u>73,382</u></u>

The notes on pages 8 to 11 form part of these financial statements.

SHARED EQUITY SECURITIES LIMITED
REGISTERED NUMBER: 03539002

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	5		936,038		1,022,349
CURRENT ASSETS					
Cash at bank		877		384	
CREDITORS: amounts falling due within one year	6	(441,978)		(464,532)	
NET CURRENT LIABILITIES			(441,101)		(464,148)
NET ASSETS			494,937		558,201
CAPITAL AND RESERVES					
Called up share capital	8		1,000		1,000
Revaluation reserve	9		432,918		453,869
Profit and loss account	9		61,019		103,332
SHAREHOLDERS' FUNDS	10		494,937		558,201

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 September 2015.


D C Annetts
 Director

The notes on pages 8 to 11 form part of these financial statements.

SHARED EQUITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 applicable accounting standards as modified by the revaluation of investments.

At 31 December 2014 the company has net current liabilities of £441,101 (2013 - £464,148). The company's ultimate parent undertaking, Pemberstone Group Limited has agreed to provide financial support up to the sum of the net current liabilities (as stated above) in order to allow the company to continue to trade for at least twelve months from the date of the signing of the financial statements. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis given this support and the profitable trading performance of the company in 2015 to date.

1.2 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 it is a 'small' company under the Companies Act 2006.

1.3 Participating advances

The participating advances acquired by the company relate largely to the disposal by fellow subsidiary undertakings of certain investment properties whilst retaining up to a 30% participating interest, as well as external portfolio acquisitions. This interest, disclosed as a fixed asset investment, is secured by way of a legal charge on the respective property. The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account to the extent that the revaluation falls below the original cost to the company. Redemptions are taken to the accounts on the unconditional exchange of contracts subject to receipt of the cash in relation to this contract within a short space of time.

1.4 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 freehold reversionary interests 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 making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax assets and liabilities are not discounted.

SHARED EQUITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.5 Taxation

In accordance with Financial Reporting Standard 16, 'Current Taxation', taxation arising on the redemptions of participating advances is charged to the profit and loss account in respect of the excess of net redemption proceeds over book value and to the statement of total recognised gains and losses in respect of prior year revaluation surpluses realised on those sales. Payment is made for corporation tax group relief between group undertakings where appropriate.

1.6 Related party disclosures

The company is a wholly owned subsidiary of Pemberstone Group Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with Pemberstone Group Limited or other wholly owned subsidiaries within the group.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by written resolution of the shareholders.

2. OPERATING LOSS

The company's audit fee for the year has been borne by CIM Management Limited.

3. DIRECTORS' REMUNERATION

No director received any emoluments during the year (2013 - £NIL).

4. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	12,120	8,670
Adjustments in respect of prior periods	(50)	(69)
	<hr/>	<hr/>
Tax on profit on ordinary activities	12,070	8,601
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Factors affecting tax charge for the year

The company's taxable profit in the year have been increased by £1,602 (2013 - decrease of £10,296) in respect of capital gains and the availability of reliefs.

SHARED EQUITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

5. FIXED ASSET INVESTMENTS

	Participating advances £
Valuation	
At 1 January 2014	1,022,349
Disposals	(155,331)
Revaluations	69,020
	<u>936,038</u>
At 31 December 2014	<u>936,038</u>
Net book value	
At 31 December 2014	<u>936,038</u>
	<u>1,022,349</u>
At 31 December 2013	<u>1,022,349</u>

The participating advances have been valued by the directors as at 31 December 2014, at their open market value, under the accounting policy as stated. The directors do not believe that there has been a material difference in the value of these assets since the year end.

The historic cost of participating advances at 31 December 2014 is £503,120 (2013 - £568,480).

6. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	429,858	455,862
Corporation tax payable	12,120	8,670
	<u>441,978</u>	<u>464,532</u>

7. PROVISIONS FOR LIABILITIES

An amount of £13,600 (2013 - £12,900) of deferred tax is unprovided at the balance sheet date, arising from revaluation of participating advances.

8. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

SHARED EQUITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2014	453,869	103,332
Profit for the financial year	-	42,716
Dividends paid	-	(175,000)
Revaluations of participating advances	69,020	-
Transfer between Revaluation reserve and Profit and loss account	(89,971)	89,971
	<u>432,918</u>	<u>61,019</u>
At 31 December 2014	<u>432,918</u>	<u>61,019</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	558,201	558,160
Profit for the financial year	42,716	38,988
Dividends paid (Note 11)	(175,000)	(100,000)
Other recognised gains and losses during the year	69,020	61,053
	<u>494,937</u>	<u>558,201</u>
Closing shareholders' funds	<u>494,937</u>	<u>558,201</u>

11. DIVIDENDS

	2014 £	2013 £
Dividends paid	<u>175,000</u>	<u>100,000</u>

12. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Pemberstone Group Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with Pemberstone Group Limited or other wholly owned subsidiaries within the group.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Pemberstone Group Limited which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Pemberstone Group Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Whittington Hall, Whittington Road, Worcester, WR5 2ZX. No other group accounts include the results of the company.