

**REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015  
FOR  
SUSD ASSET MANAGEMENT (HOLDINGS) LIMITED**

WEDNESDAY



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FOR THE YEAR ENDED 31 MARCH 2015**

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**SUSD ASSET MANAGEMENT (HOLDINGS) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2015**

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**DIRECTORS:**  
M I Laurie  
P A F Harris  
I G Robinson

**SECRETARY:**  
C W Lawes

**REGISTERED OFFICE:**  
21 Marina Court  
Castle Street  
Hull  
HU1 1TJ

**REGISTERED NUMBER:**  
05535356 (England and Wales)

**AUDITORS:**  
BDO LLP  
55 Baker Street  
London  
W1U 7EU

**SOLICITORS:**  
Brabners Chaffe Street LLP  
55 King Street  
Manchester  
M2 4LQ

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present their report with the financial statements of the company and the group for the year ended 31 March 2015.

**PRINCIPAL ACTIVITIES**

The Group's principal activities are property development and investment, development management and the provision of architectural and design services.

**REVIEW OF BUSINESS**

The Group's results for the year to 31 March 2015 continue to build on 2014. Turnover for the year was £2,553,690 against £6,855,982 for 2014. This reflects the timing of development cycles and the high level of 2014 completions. The 2015 operating profit is £660,084, compared to last year's £1,115,088, with a Group profit for the year of £775,340 compared to the 2014 profit of £1,102,275.

This year, four properties have been sold. One further development has been completed, and is now being marketed for sale.

SUSD Limited has continued to provide high quality commercial and project management services to subsidiaries and their developments, and is also undertaking a number of projects for a variety of third party clients.

The Group's results reflect involvement in an increasing scale of schemes and developments. Current project in central London include a large luxury hotel development, and the development of a private members club.

At the period end, the Group's inventory of development properties had a carrying value of £1,533,628, and investment properties amounted to £1,447,691. The related borrowings were £1,578,376.

The funds raised from property realisations have been used to repay borrowings, and to finance new projects alongside commercial borrowings.

Cash held at the period end was up slightly, to £571,985 from £550,197 at 31 March 2014.

One of the Group's key metrics is net assets, and this has increased from £3,281,758 at 31 March 2014 to £4,057,098 at 31 March 2015.

With growing scale and its track record the Group continues to review further opportunities which reflect its skills, networking and professional service capabilities.

The overall outlook for the Group remains positive.

Principal risks and uncertainties are shown below.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

P A F Harris  
I G Robinson

Other changes in directors holding office are as follows:

M I Laurie - appointed 1 April 2014  
Sir W H W Wells - resigned 1 April 2014  
S A Banks-Cooper - resigned 7 May 2014  
A S Wilson - deceased 15 May 2014

A S Wilson sadly passed away on 15 May 2014. The board wish to express their appreciation of his services to the company. He will be greatly missed.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

All businesses face degrees of risk from normal commercial operations. The specific operational risks to which the Directors consider the Group is subject are set out below:

**Funding**

In order to be able to undertake development projects, the Group needs access to funding. There is no guarantee that such funding will be available, or that the terms and rates applicable to funding will facilitate acceptable returns.

Any delays in the development process, whether due to regulatory, construction or other factors will potentially delay repayments and increase the cost of any debt funding, reducing the return to the Group.

Cost overruns could result in the need to extend funding facilities, and the required extensions may not be available.

Property sales are also often dependant on the availability to purchasers of mortgage lending or similar credit funding, and there is no guarantee that such facilities will be available.

**Property development**

There are a number of risks associated with property development projects, including:

- The Group needs to identify and incept property development opportunities, which are suitable by reference to a broad range of factors including cost, the level of resources available to the Group, the levels of funding required, the complexity and timing of the development, planning and regulatory matters, and the attractiveness to the market;
- There is no guarantee that the Group will be able to source suitable developments within acceptable timescales and costs;
- Counterparties, including other participants in a development, contractors and marketing agents, may fail to meet their obligations, leading to delay and expense;
- Costs in respect of a development may exceed estimates due to unforeseen factors, which could mean that expenses exceed the funding available for a development project. In addition, it may not be possible to increase the price to compensate for the increase in costs, which could reduce the return to the Group, or even render the completion of the project unviable.

**Market conditions**

The developments on which the Group is engaged are primarily, but not exclusively, in the London residential property and leisure markets. The ongoing success of its business will be affected by general economic and market conditions, as well as more localised supply and demand factors.

**Regulation**

The Group's ability to profit from developments can depend on national and local regulatory factors. These include both national and regional requirements to obtain the necessary planning permissions, building and related regulations. Changes to particular requirements, and/or to the process, could add to the length of time and amount of resources required to establish and obtain regulatory and planning approvals. Government policies on taxation, such as stamp duty and VAT, also influence returns that affect the costs of a development, and the realisable value when completed.

**Key personnel**

The Group is reliant on the services of certain key personnel for the delivery of development projects. The loss of the services of any key personnel could delay or disrupt development projects, and damage the business. The Group may also experience difficulties in recruiting appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Group.

Details on the financial risks faced by the Group are set out in note 3 to the financial statements.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 the group and of the profit or loss of the group 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;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Directors at the date of this report is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts, whichever is the earlier.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



C W Lawes - Secretary

21 December 2015

We have audited the financial statements of SUSD Asset Management (Holdings) Limited for the year ended 31 March 2015 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated , the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities, 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 the 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**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

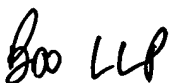
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 and the directors report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Geraint Jones (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
55 Baker Street  
London  
W1U 7EU

21 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31.3.15 £	31.3.14 £
<b>CONTINUING OPERATIONS</b>			
Revenue	2,5	2,553,690	6,855,982
Cost of sales		<u>(1,533,747)</u>	<u>(4,933,880)</u>
<b>GROSS PROFIT</b>		1,019,943	1,922,102
Other gains and losses	2	437,835	-
Administrative expenses		<u>(797,694)</u>	<u>(807,017)</u>
<b>OPERATING PROFIT</b>		660,084	1,115,085
Sale of subsidiary – additional consideration	8	141,319	114,388
Finance costs	7	(21,358)	(89,013)
Finance income	7	<u>4,438</u>	<u>-</u>
<b>PROFIT BEFORE INCOME TAX</b>	8	784,483	1,140,460
Income tax	9	<u>(9,143)</u>	<u>(38,185)</u>
<b>PROFIT FOR THE YEAR</b>		775,340	1,102,275
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>775,340</u>	<u>1,102,275</u>
Profit attributable to:			
Owners of the parent		542,250	717,037
Non-controlling interests		<u>233,090</u>	<u>385,238</u>
		<u>775,340</u>	<u>1,102,275</u>
Total comprehensive income attributable to:			
Owners of the parent		542,250	717,037
Non-controlling interests		<u>233,090</u>	<u>385,238</u>
		<u>775,340</u>	<u>1,102,275</u>

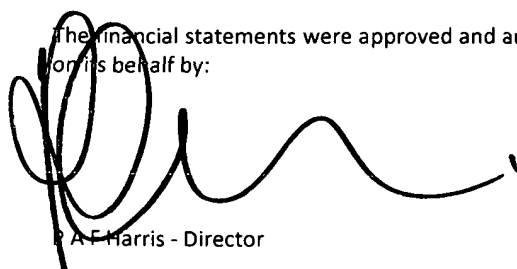
The notes on pages 14 to 31 form part of these financial statements



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 MARCH 2015**

	Notes	31.3.15 £	31.3.14 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	11	598,753	598,753
Property, plant and equipment	12	24,622	44,664
Investment property	13	1,447,691	1,438,951
Investment in associates	14	937,500	-
Investments	14	-	-
		<u>3,008,566</u>	<u>2,082,368</u>
<b>CURRENT ASSETS</b>			
Inventories	15	1,533,628	2,482,073
Trade and other receivables	16	957,512	716,357
Investments	17	735	399
Cash and cash equivalents	18	<u>571,985</u>	<u>550,197</u>
		<u>3,063,860</u>	<u>3,749,026</u>
<b>TOTAL ASSETS</b>		<u><u>6,072,426</u></u>	<u><u>5,831,394</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	20	2,137,250	2,137,250
Retained earnings	21	<u>1,601,736</u>	<u>1,059,486</u>
		3,738,986	3,196,736
Non-controlling interests	19	<u>318,112</u>	<u>85,022</u>
<b>TOTAL EQUITY</b>		<u><u>4,057,098</u></u>	<u><u>3,281,758</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	436,952	444,639
Financial liabilities - borrowings			
Interest bearing loans and borrowings	23	<u>1,578,376</u>	<u>2,104,997</u>
		<u>2,015,328</u>	<u>2,549,636</u>
<b>TOTAL LIABILITIES</b>		<u><u>2,015,328</u></u>	<u><u>2,549,636</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,072,426</u></u>	<u><u>5,831,394</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 21 December 2015 and were signed on its behalf by:



P A F Harris - Director

The notes on pages 14 to 31 form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION  
31 MARCH 2015

	Notes	31.3.15 £	31.3.14 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	11	-	-
Property, plant and equipment	12	-	-
Investment property	13	-	-
Investment in associates	14	-	-
Investments	14	<u>270,001</u>	<u>270,001</u>
		<u>270,001</u>	<u>270,001</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	16	2,748,632	2,953,797
Investments	17	735	399
Cash and cash equivalents	18	<u>81,025</u>	<u>44,579</u>
		<u>2,830,392</u>	<u>2,998,775</u>
<b>TOTAL ASSETS</b>		<u><u>3,100,393</u></u>	<u><u>3,268,776</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	20	2,137,250	2,137,250
Retained earnings	21	<u>883,802</u>	<u>626,820</u>
<b>TOTAL EQUITY</b>		<u><u>3,021,052</u></u>	<u><u>2,764,070</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	79,341	139,364
Financial liabilities - borrowings			
Interest bearing loans and borrowings	23	<u>-</u>	<u>365,342</u>
		<u>79,341</u>	<u>504,706</u>
<b>TOTAL LIABILITIES</b>		<u><u>79,341</u></u>	<u><u>504,706</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,100,393</u></u>	<u><u>3,268,776</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 21 December 2015 and were signed on its behalf by:

P A F Harris - Director

The notes on pages 14 to 31 form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 April 2013</b>	3,720,000	(11,118,192)	9,704,549
<b>Changes in equity</b>			
Issue of share capital	15,000	-	-
Total comprehensive income	-	717,037	-
Capital reduction	(1,597,750)	11,460,641	(9,704,549)
<b>Balance at 31 March 2014</b>	<u>2,137,250</u>	<u>1,059,486</u>	<u>-</u>
<b>Changes in equity</b>			
Total comprehensive income	-	542,250	-
<b>Balance at 31 March 2015</b>	<u>2,137,250</u>	<u>1,601,736</u>	<u>-</u>

	Other reserves £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 April 2013</b>	158,342	2,464,699	(300,216)	2,164,483
<b>Changes in equity</b>				
Issue of share capital	-	15,000	-	15,000
Total comprehensive income	-	717,037	385,238	1,102,275
Capital reduction	(158,342)	-	-	-
<b>Balance at 31 March 2014</b>	<u>-</u>	<u>3,196,736</u>	<u>85,022</u>	<u>3,281,758</u>
<b>Changes in equity</b>				
Total comprehensive income	-	542,250	233,090	775,340
<b>Balance at 31 March 2015</b>	<u>-</u>	<u>3,738,986</u>	<u>318,112</u>	<u>4,057,098</u>

The notes on pages 14 to 31 form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
<b>Balance at 1 April 2013</b>	3,720,000	(11,080,013)	9,704,549	158,342	2,502,878
<b>Changes in equity</b>					
Issue of share capital	15,000	-	-	-	15,000
Total comprehensive income	-	246,192	-	-	246,192
Capital reduction	(1,597,750)	11,460,641	(9,704,549)	(158,342)	-
<b>Balance at 31 March 2014</b>	<u>2,137,250</u>	<u>626,820</u>	<u>-</u>	<u>-</u>	<u>2,764,070</u>
<b>Changes in equity</b>					
Total comprehensive income	-	256,982	-	-	256,982
<b>Balance at 31 March 2015</b>	<u>2,137,250</u>	<u>883,802</u>	<u>-</u>	<u>-</u>	<u>3,021,052</u>

The notes on pages 14 to 31 form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31.3.15 £	31.3.14 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,004,465	2,293,671
Interest paid		(32,236)	(64,096)
Finance costs paid		(24,356)	(68,886)
Tax paid		(51,183)	-
<b>Net cash from operating activities</b>		<b>896,690</b>	<b>2,160,689</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment		(639)	(62,266)
Purchase of fixed asset investments		(500,001)	-
Purchase of investment property		(8,740)	(1,438,951)
Disposal of subsidiaries		141,319	114,388
Interest received		4,438	-
<b>Net cash from investing activities</b>		<b>(363,623)</b>	<b>(1,386,829)</b>
<b>Cash flows from financing activities</b>			
New loans		138,721	1,739,655
Loan repayments		(300,000)	(1,140,500)
Issue of deep discount bond		-	350,000
Redemption of deep discount bond		(350,000)	(1,276,000)
Proceeds from share issues		-	30,000
<b>Net cash from financing activities</b>		<b>(511,279)</b>	<b>(296,845)</b>
<b>Increase in cash and cash equivalents</b>		<b>21,788</b>	<b>477,015</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>550,197</b>	<b>73,182</b>
<b>Cash and cash equivalents at end of year</b>	2	<b>571,985</b>	<b>550,197</b>

The notes on pages 14 to 31 form part of these financial statements

**COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31.3.15 £	31.3.14 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	144,505	(125,633)
Interest paid		<u>(24,356)</u>	<u>(19,727)</u>
Net cash from operating activities		<u>120,149</u>	<u>(145,360)</u>
<b>Cash flows from investing activities</b>			
Purchase of subsidiaries		-	(1)
Disposal of subsidiaries		<u>141,319</u>	<u>114,388</u>
Net cash from investing activities		<u>141,319</u>	<u>114,387</u>
<b>Cash flows from financing activities</b>			
Issue of deep discount bond		-	350,000
Repayment of deep discount bond		(350,000)	(300,000)
Proceeds from share issues		-	30,000
Balances with Group companies		<u>124,978</u>	<u>(80,853)</u>
Net cash from financing activities		<u>(225,022)</u>	<u>(853)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>36,446</u>	<u>(31,826)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>44,579</u>	<u>76,405</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>81,025</u></u>	<u><u>44,579</u></u>

The notes on pages 14 to 31 form part of these financial statements

NOTES TO THE STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

Group

	31.3.15	31.3.14
	£	£
Profit before income tax	784,483	1,140,460
Depreciation charges	20,681	21,411
Disposal of subsidiaries	(141,319)	(114,388)
(Increase)/decrease in financial assets	(437,835)	-
Finance costs	21,358	89,013
Finance income	(4,438)	-
	242,930	1,136,496
Decrease in inventories	968,337	1,701,620
Increase in trade and other receivables	(239,074)	(586,916)
Increase in trade and other payables	32,272	42,471
<b>Cash generated from operations</b>	<b><u>1,004,465</u></b>	<b><u>2,293,671</u></b>

Company

	31.3.15	31.3.14
	£	£
Profit before income tax	256,982	246,192
Fair value adjustment of financial asset	(336)	-
Disposal of subsidiaries	(141,319)	(114,388)
Finance costs	9,014	32,973
Finance income	(165,377)	(98,943)
	(41,036)	65,834
Decrease/(increase) in trade and other receivables	245,564	(274,394)
(Decrease)/increase in trade and other payables	(60,023)	82,927
<b>Cash generated from operations</b>	<b><u>144,505</u></b>	<b><u>(125,633)</u></b>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group		Company	
Year ended 31 March 2015	31.3.15	1.4.14	31.3.15	1.4.14
	£	£	£	£
Cash and cash equivalents	<u>571,985</u>	<u>550,197</u>	<u>81,025</u>	<u>44,579</u>
Year ended 31 March 2014	31.3.14	1.4.13	31.3.14	1.4.13
	£	£	£	£
Cash and cash equivalents	<u>550,197</u>	<u>73,182</u>	<u>44,579</u>	<u>76,405</u>

The notes on pages 14 to 31 form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**1. GENERAL INFORMATION**

SUSD Asset Management (Holdings) Limited is a company incorporated in England and Wales. The address of the registered office is disclosed on page 1 of these financial statements. The principal activities of the Group are described in the Directors report, and details of the principal subsidiaries are included in note 13.

The registered number of the company is 05535356.

The functional and presentational currency of the Group is £ sterling.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards, Statements of the Standing Interpretations Committee and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS for accounting periods commencing on or after 1 April 2014. The financial statements have been prepared on the historical cost basis as modified by the revaluation of financial assets at fair value through profit and loss.

The principal accounting policies are set out below.

**Standards, interpretations and amendments to published standards effective in 2013**

For the purposes of the preparation of the accounts, the Group has applied all standards and interpretations that will be effective for the accounting periods commencing on or after 1 April 2014.

The following standards and interpretations have been adopted during the current year, with no material impact on reported amounts or accounting policies:

- IFRS 10 - Consolidated Financial Statements (effective for accounting periods beginning from 1 January 2014)
- IFRS 11 - Joint Arrangements (effective for accounting periods beginning from 1 January 2014)
- IFRS 12 - Disclosure of Interests in Other Entities (effective for accounting periods beginning from 1 January 2014)
- IAS 27 (Revised) - Separate Financial Statements (effective for accounting periods beginning from 1 January 2014)
- IAS 28 (Revised) - Investments in Associates and Joint Ventures (effective for accounting periods beginning from 1 January 2014)
- IAS 36 (Amendment) - Recoverable amount disclosures for non-financial assets (effective for accounting periods beginning from 1 January 2014)
- IAS 39 (Amendment) - Novation of derivatives and continuation of hedge accounting (effective for accounting periods beginning from 1 January 2014)
- IFRIC 21 - Levies (effective for accounting periods from 1 January 2014)
- IAS 32 (Amendment) - Offsetting Financial Assets and Financial Liabilities (effective for accounting periods beginning from 1 January 2014)

**Standards, interpretations and amendments to published standards that are not yet effective**

The following new standards, amendments and interpretations that have been issued by the IASB and IFRIC are mandatory for the Group's accounting periods beginning on or after 1 April 2015 or later periods, and which the Group has not adopted early:

- IFRS 9 - Financial Instruments (effective for accounting periods beginning from 1 January 2015)
- IFRS 7 and IFRS 9 (Amendment) - Mandatory Effective Date and Transition Disclosures (effective for accounting periods beginning from 1 January 2015)
- Annual Improvements to IFRSs 2011-2013 Cycle (effective for accounting periods beginning from 1 July 2014 )
- IAS 19 (Amendment) - Defined benefit plans: employee contributions (effective for accounting periods from 1 July 2014)
- IFRS 14 - Regulatory deferral accounts (effective for accounting periods beginning from 1 January 2016)
- IFRS 11 (Amendment) - Accounting for acquisitions of interests in joint operations (effective for accounting periods beginning from 1 January 2016)
- IAS 16 and IAS 38 (Amendment) - Classification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning from 1 January 2016)
- IFRS 15 - Revenue from contracts with customers (effective for accounting periods beginning from 1 January 2017)

Management does not believe that these will have a material effect on the Group's financial reporting in the period of initial application.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

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2. ACCOUNTING POLICIES- continued

**Basis of consolidation**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the minority interest. The excess of the cost of acquisition over the fair value of the Group's share of identifiable assets is recorded as goodwill.

Transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed (where necessary) to ensure consistency with the policies adopted by the Group.

The Group has taken advantage of IFRS 1 and has chosen not to restate acquisitions undertaken prior to the date of transition to IFRS.

**Investments in associates**

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are carried at fair value.

Gains or losses arising from changes in the fair value of the investments in associates are presented in the statement of comprehensive income within 'other gains and losses' in the period in which they arise.

The Group establishes fair value by using valuation techniques including the use of recent arm's length transactions, and market inputs.

**Revenue recognition**

Revenue comprises sales of trading properties, fees and rental income. It is recognised to the extent that it is probable that economic benefits will flow to the Group and that the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, net of discounts and excluding Value Added Tax (VAT) and other duties.

Sales of assets, such as trading properties, development sites and completed developments which have previously been held in inventories, are regarded as sold upon the transfer of the risks and rewards of ownership to the purchaser. This occurs on an exchange of unconditional contracts, on satisfaction of any and all conditions on a conditional contract or on completion of the contract on a conditional sale where those conditions are satisfied at completion.

Rental income is recognised on a straight line basis over the period to which the income relates.

Revenue derived from contracts for services is recognised to reflect the accrual of the right to consideration as contract activity progresses, by reference to the value of the work performed, subject to any uncertainties as to amounts recoverable.

**Goodwill**

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. In accordance with IFRS 3 Business Combinations, goodwill is not amortised but reviewed annually for impairment and is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed. On acquisition, any goodwill acquired is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**2. ACCOUNTING POLICIES - continued**

**Impairment of non-financial assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and assets assessed as having indefinite useful economic lives are reviewed for impairment at least annually, and more often where events or changes in circumstances indicate that the carrying value may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal at the end of each reporting period.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance and 10% - 33% on cost
Motor vehicles	- 25% on cost
Computer equipment	- Straight line over 1 year

**Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially, and subsequently carried, at cost, including related transaction costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment property has not been subject to a periodic depreciation charge as residual values are considered to be not lower than cost.

**Financial assets**

The Group classifies its financial assets at fair value through the profit or loss account. Management determines the classification of its financial assets at initial recognition or on the date of transition to IFRS.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

The value of financial assets reflects shares issued by listed and non-listed companies and any adjustment to the fair value of those assets impacts the profitability and performance of the Group as a whole and reflects on the business performance during the year. Any adjustments to the fair value are recognised in the statement of comprehensive income for the period.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'other gains and losses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, making maximum use of market inputs and relying as little as possible on entity specific inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

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2. ACCOUNTING POLICIES - continued

**Inventories**

Trading properties and developments held for sale are inventory and are included in the statement of financial position at the lower of cost and net realisable value. Cost includes all costs directly associated with the acquisition and development of a specific site. Net realisable value is the estimated selling price less estimated costs to completion and the estimated costs of making the sale.

The specific borrowing costs associated with expenditure on properties under development are capitalised. The interest is capitalised at the rates charged on the financing for the development. Interest is capitalised from the commencement of the development until completion of the work.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable profits for the period, using tax rates enacted or substantially enacted by the end of the reporting period, and any adjustments in respect of prior years.

Deferred tax represents the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax liabilities are generally recognised on all temporary timing differences, except where the difference arises from the initial recognition of goodwill arising on a business combination.

Deferred tax assets are recognised only to the extent that the Directors consider it more probable than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply to the period in which the timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantially enacted by the end of the reporting period. Deferred tax is measured on a non-discounted basis.

**Employee benefit costs**

The pension costs charged in the financial statements represent the defined contributions payable by the Group during the period.

**Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Indicators that a trade receivable is impaired include significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**Trade and other payables**

Trade payables and other payables are classified as 'Trade and other payables'. These are measured at amortised cost and the interest expense is recognised by applying the appropriate interest rate of the contractual arrangement.

**Borrowings**

Interest-bearing borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method with any differences between the proceeds, net of transaction cost, and the redemption value being recognised over the period of borrowings. Borrowings are classified as current unless the Group has an unconditional right to defer payment of the borrowings for a period of at least twelve months from the end of the accounting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

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2. ACCOUNTING POLICIES - continued

**Share capital**

Ordinary shares are classed as equity. Incremental costs directly attributable to the issues of new ordinary shares or options are shown in equity as a deduction from the proceeds.

3. FINANCIAL RISK MANAGEMENT

**Financial risk management objectives and policies**

The Group and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group and of the Company's operations whilst managing its financial risks, including interest rate risk, market risk, credit risk, liquidity risk, price risk and cash flow risk.

**Interest rate risk**

The Group's interest rate risk arises primarily from its borrowings. Borrowings at variable rate expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

Interest rate exposure also arises from the Group's and the Company's cash deposits. The Group and the Company monitor the interest rates, although prevailing interest rates are low. The Group's cash balances at the year end were held with a number of different UK banks in both current and deposit accounts.

**Credit risk**

The Group's and the Company's exposure to credit risk arises mainly from receivables and cash holdings. Receivables are monitored on an ongoing basis via management reporting procedures and action is taken to recover debts when due. There was no overdue unimpaired debt at the year end. The maximum potential exposure is the carrying amount as set out in note 16. The Group's cash holdings are all held with major financial institutions whose financial status is regularly reviewed. The Group's exposure to credit risk here is the remote possibility of default of the deposit taker, with a maximum exposure equal to the carrying value of these holdings as set out in note 16.

**Liquidity and cash flow risks**

The Group maintains a certain level of cash and cash convertible investments to meet working capital requirements on a day to day basis. Borrowing facilities and cash flow requirements are regularly reviewed to ensure sufficient funds are available.

**Market risk**

The Group is exposed to market risk, primarily related to development profits. The Group actively monitors these exposures.

**Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to raise further capital if required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

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4. **ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances.

The management of the Group has used its judgement and knowledge of the business to determine the fair value of:

**Useful lives of intangible assets, and property and equipment**

The Group's management has used its judgement and knowledge of the business in determining the apportionment between goodwill and an appropriate fair value for intangible assets acquired in relation to its acquisitions of new businesses and in estimating an appropriate useful life for any intangible assets. Generally, the life of these intangible assets is estimated as between 5 and 10 years.

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates in forecasting the operating performances, revenues and costs of each cash generating unit, together with suitable future projected growth and discount rates.

An impairment review of the goodwill as set out in note 11 has been undertaken, with the recoverable amounts assessed on a value in use basis. Value in use is established by discounting future cash flows attributable to the cash generating units expected to benefit from the business combinations in which the goodwill and other intangible assets arose.

Pre tax projections are based on financial budgets covering a one year period. Cash flows beyond the first year are extrapolated for the following two years based on anticipated property development activities, and operating margins based on past performance and the expectation of market developments. Beyond this point, the cash flows have been projected using a constant long term growth rate of 2.25% in perpetuity. A discount rate of 16.5% has been applied.

**Inventories**

Inventories comprise developments and trading properties held for sale, and are carried at the lower of cost and net realisable value. A number of judgements and estimates are required in the assessment of net realisable value, primarily of costs and time required to complete developments, the costs of making the sale and the prospective sale value.

**Fair value of assets held at fair value through profit and loss account**

The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial period end sheet date. For listed entities, market mid-prices have been used for valuations. For investments that are not traded in active markets, the Group has used recent arms length transactions where these are available. Where these are not available, the Group has used other data, including net assets and reported results as a basis for valuation, taking into account factors such as market conditions and the absence of liquidity.

5. **SEGMENTAL REPORTING**

The Group has only one segment, Property Development, which is shown in the consolidated statement of comprehensive income.

The Group operates in one geographic area, the United Kingdom.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

## 6. EMPLOYEES AND DIRECTORS

	31.3.15	31.3.14
	£	£
Wages and salaries	513,868	394,733
Social security costs	58,190	44,676
Other pension costs	<u>5,000</u>	<u>-</u>
	<u>577,058</u>	<u>439,409</u>

The average monthly number of employees during the year was as follows:

	31.3.15	31.3.14
Administrative & professional	8	6
Managerial	<u>3</u>	<u>4</u>
	<u>11</u>	<u>10</u>

Included above are emoluments for qualifying services of the highest paid Director of £150,000 (2013: £133,750). In the opinion of the Directors there were no other key management personnel.

	31.3.15	31.3.14
	£	£
Directors' remuneration	183,141	178,750
Compensation to director for loss of office	<u>5,000</u>	<u>-</u>

## 7. NET FINANCE COSTS

	31.3.15	31.3.14
	£	£
Finance income:		
Interest received	<u>4,438</u>	<u>-</u>
Finance costs:		
Bank interest	-	565
Interest payable on loans	12,344	35,836
Discount on Deep Discount Bond	<u>9,014</u>	<u>52,612</u>
	<u>21,358</u>	<u>89,013</u>
Net finance costs	<u>16,920</u>	<u>89,013</u>

## 8. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	31.3.15	31.3.14
	£	£
Cost of inventories recognised as expense	1,583,863	4,431,833
Depreciation - owned assets	20,681	21,410
Sale of subsidiary - additional consideration receivable	141,319	(114,388)
Auditors remuneration - as auditor of parent	5,000	5,000
Auditors remuneration - as auditor for subsidiary undertakings	<u>11,000</u>	<u>11,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

8. **PROFIT BEFORE INCOME TAX - continued**

Following the disposal of a subsidiary in May 2010, the total consideration reflected in the Group's financial statements to 31 March 2011 included estimates of deferred elements receivable based on certain performance criteria. The actual deferred consideration for the current and previous periods has exceeded those estimates, with the excess shown as additional consideration receivable.

9. **INCOME TAX**

**Analysis of tax expense**

	31.3.15	31.3.14
	£	£
Current tax:		
Tax	11,224	39,959
Deferred tax	<u>(2,081)</u>	<u>(1,774)</u>
Total tax expense in consolidated statement of profit or loss and other comprehensive income	<u>9,143</u>	<u>38,185</u>

**Factors affecting the tax expense**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.15	31.3.14
	£	£
Profit on ordinary activities before income tax	<u>784,483</u>	<u>1,140,460</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	164,741	262,306
Effects of:		
Movement in tax losses	(25,684)	(141,418)
Expenses and provisions not deductible for tax purposes	(130,018)	(83,093)
Depreciation in excess of capital allowances	<u>104</u>	<u>390</u>
Tax expense	<u>9,143</u>	<u>38,185</u>

**Factors affecting the tax charge**

At 31 March 2015, the Group and Company had respectively tax losses of approximately £0.9m and £0.9m (2014: Group: £1.1m, Company: £1.0m) available, subject to the agreement of the tax authorities, to offset future taxable profits.

10. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £256,982 (2014 - £246,192).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

## 11. GOODWILL

## Group

	£
<b>COST</b>	
At 1 April 2014	
and 31 March 2015	<u>598,753</u>
<b>NET BOOK VALUE</b>	
At 31 March 2015	<u>598,753</u>
	£
<b>COST</b>	
At 1 April 2013	
and 31 March 2014	<u>598,753</u>
<b>NET BOOK VALUE</b>	
At 31 March 2014	<u>598,753</u>

Goodwill arose on the acquisition of SUSD Limited in 2010. Details of the basis of impairment testing are included in note 4.

## 12. PROPERTY, PLANT AND EQUIPMENT

## Group

	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2014	22,197	34,760	27,506	84,463
Additions	<u>639</u>	<u>-</u>	<u>-</u>	<u>639</u>
At 31 March 2015	<u>22,836</u>	<u>34,760</u>	<u>27,506</u>	<u>85,102</u>
<b>DEPRECIATION</b>				
At 1 April 2014	19,654	1,448	18,697	39,799
Charge for year	<u>3,182</u>	<u>8,690</u>	<u>8,809</u>	<u>20,681</u>
At 31 March 2015	<u>22,836</u>	<u>10,138</u>	<u>27,506</u>	<u>60,480</u>
<b>NET BOOK VALUE</b>				
At 31 March 2015	<u>-</u>	<u>24,622</u>	<u>-</u>	<u>24,622</u>
	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2013	22,197	-	-	22,197
Additions	<u>-</u>	<u>34,760</u>	<u>27,506</u>	<u>62,266</u>
At 31 March 2014	<u>22,197</u>	<u>34,760</u>	<u>27,506</u>	<u>84,463</u>
<b>DEPRECIATION</b>				
At 1 April 2013	18,389	-	-	18,389
Charge for year	<u>1,265</u>	<u>1,448</u>	<u>18,697</u>	<u>21,410</u>
At 31 March 2014	<u>19,654</u>	<u>1,448</u>	<u>18,697</u>	<u>39,799</u>
<b>NET BOOK VALUE</b>				
At 31 March 2014	<u>2,543</u>	<u>33,312</u>	<u>8,809</u>	<u>44,664</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

13. INVESTMENT PROPERTY

Group

	Total £
<b>COST</b>	
At 1 April 2014	1,438,951
Additions	<u>8,740</u>
At 31 March 2015	<u>1,447,691</u>
<b>NET BOOK VALUE</b>	
At 31 March 2015	<u>1,447,691</u>
	Total £
<b>COST</b>	
Additions	<u>1,438,951</u>
At 31 March 2014	<u>1,438,951</u>
<b>NET BOOK VALUE</b>	
At 31 March 2014	<u>1,438,951</u>

The investment properties were acquired during the previous period and are measured at initial cost and subsequent expenditure capitalised in accordance with the Group's accounting policies.

The fair value of the investment properties has been assessed using valuation techniques classified as level 3, which applies to financial instruments whose valuation incorporates significant inputs for the asset or liability that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or analytical techniques.

For investment properties the significant unobservable inputs used in the valuation at 31 March 2015 are the estimated rental value (ERV) of the properties and the market capitalisation rate (yield). The ERV has been determined by reference to rents currently achieved on existing leases and the rents being asked by landlords advertising properties of a similar specification in that geographical region. The market capitalisation rate has been determined by reference to actual market transactions for properties in that region, with adjustments made to reflect the particular characteristics of that property. A decrease in the ERV or an increase in the market capitalisation rate will decrease the fair value of the investment property. Conversely an increase in the ERV or decrease in the market capitalisation rate will increase the fair value.

In the opinion of the Directors the fair value of investment properties at 31 March 2015 was approximately £1,540,000.

14. INVESTMENTS

Group

	Interest in associate £
<b>COST OR VALUATION</b>	
Additions	500,001
Revaluations	<u>437,499</u>
At 31 March 2015	<u>937,500</u>
<b>NET BOOK VALUE</b>	
At 31 March 2015	<u>937,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

## 14. INVESTMENTS - continued

## Company

Shares in  
group  
undertakings  
£

## COST

At 1 April 2014  
and 31 March 2015270,001

## NET BOOK VALUE

At 31 March 2015

270,001Shares in  
group  
undertakings  
£

## COST

At 1 April 2013  
Additions

270,000

1

At 31 March 2014

270,001

## NET BOOK VALUE

At 31 March 2014

270,001

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

## Subsidiaries

## SUSD Limited

Nature of business: Property Development

Class of shares:  
Ordinary A%  
holding  
55.00

## SUSD House Limited

Nature of business: Property Development

Class of shares:  
Ordinary%  
holding  
55.00

## Harlesden 112 Limited

Nature of business: Property Development

Class of shares:  
Ordinary%  
holding  
55.00

## Upper Clapton Road Limited

Nature of business: Property Development

Class of shares:  
Ordinary%  
holding  
55.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

14. INVESTMENTS - continued

**Company**

**SUSD Hereford Road Limited**

Nature of business: Property development

	%
Class of shares:	holding
Ordinary	55.00

**SUSD Notting Hill Limited**

Nature of business: Property Development

	%
Class of shares:	holding
Ordinary	55.00

**SUSD Hampton Court Limited**

Nature of business: Property Development

	%
Class of shares:	holding
Ordinary	55.00

**Outer Prime London Limited Partnership**

Nature of business: Property Investment

	%
Class of shares:	holding
Equity in partnership	100.00

**SUSD Westbourne Grove Limited**

Nature of business: Property development

	%
Class of shares:	holding
Ordinary	55.00

**SUSD Pembridge Mews Limited**

Nature of business: Property Development

	%
Class of shares:	holding
Ordinary	55.00

The interests in SUSD Limited and Outer Prime London LP are held by the Company. Other companies are wholly owned subsidiaries of SUSD Limited. The Group's interest is 55% through its interest in the Ordinary Share Capital of SUSD Limited.

During the previous period, the Group established the Outer Prime London Limited Partnership.

The interest in associate acquired during the period represents an investment by SUSD Limited of 20.27% in the ordinary share capital and 50% of the non-participating share capital of Devonshire Club (Holdings) Limited, incorporated in England & Wales as the holding company for a high quality private members club being developed in central London.

The investment is recorded at fair value through profit or loss. The fair value has been assessed using valuation techniques classified as level 3, which applies to financial instruments whose valuation incorporates significant inputs for the asset or liability that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or analytical techniques.

The significant unobservable inputs used in the valuation at 31 March 2015 are the capital subscriptions by other investors. are financial assets held at fair value through profit and loss, and are classified under the IFRS 13 fair value measurement hierarchy as Level 3 based on observable inputs of prices paid for similar assets. The significant unobservable inputs used in the valuation at 31 March 2015 are the capital subscriptions by other investors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

## 15. INVENTORIES

	Group	
	31.3.15	31.3.14
	£	£
Stocks	<u>1,533,628</u>	<u>2,482,073</u>

As at 31 March 2015, developments and trading properties held for resale of £1,533,628 (2014: £2,305,675) are shown at the lower of cost and net realisable value and include capitalised borrowing costs of £26,017 (2014: £44,235).

During the period, the Group sold trading properties with book values of £1,579,863 (2013: £4,608,231).

As at 31 March 2015, the directors have assessed that the net realisable value of the Group's developments and trading properties exceeds their carrying value.

## 16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Current:				
Trade debtors	683,416	48,936	-	-
Amounts owed by group undertakings	-	-	2,712,247	2,671,848
Other debtors	46,298	441,440	-	1,255
Prepayments and accrued income	<u>227,798</u>	<u>225,981</u>	<u>36,385</u>	<u>280,694</u>
	<u>957,512</u>	<u>716,357</u>	<u>2,748,632</u>	<u>2,953,797</u>

During the year, bad debts amounting to £400 were written off (2014: £1,650). At the year end, no provision for doubtful debts was considered necessary.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Other debtors includes £3,885 (2014: £1,774) as a deferred tax asset as set out in note 24.

## 17. INVESTMENTS

	Group		Company	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Unlisted investments	<u>735</u>	<u>399</u>	<u>735</u>	<u>399</u>

Financial assets are held at fair value through profit and loss, and are classified under the IFRS 13 fair value measurement hierarchy as Level 1 based on quoted market prices. This applies to financial instruments whose valuations are determined by reference to unadjusted quoted prices for identical assets and liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

## 18. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Bank accounts	<u>571,985</u>	<u>550,197</u>	<u>81,025</u>	<u>44,579</u>

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The Directors consider that the carrying value of these assets approximates to their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

19. NON-CONTROLLING INTERESTS

	31.3.15
	£
At 1 April 2014	(85,022)
Non controlling interest share of comprehensive income	<u>(233,090)</u>
At 31 March 2015	<u>(318,112)</u>
	31.3.14
	£
At 1 April 2013	300,216
Non controlling interest share of comprehensive income	<u>(385,238)</u>
At 31 March 2014	<u>(85,022)</u>

The non controlling interest represents 45% of SUSD Limited which is not controlled by the Group.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.15	31.3.14
			£	£
NIL			-	-
213,725	Ordinary	£10	<u>2,137,250</u>	<u>2,137,250</u>
			<u>2,137,250</u>	<u>2,137,250</u>

All fully paid ordinary shares carry one vote and a right to dividends.

The movements in the previous year are summarised below:

	31.3.14		31.3.13	
	No.	£	No.	£
Ordinary shares of £15,000				
At 1 April 2013	248	3,720,000	247	3,705,000
Issued during the period	<u>1</u>	<u>15,000</u>	<u>1</u>	<u>15,000</u>
At 3 May 2013	<u>249</u>	<u>3,735,000</u>	<u>248</u>	<u>3,720,000</u>

On 26 April 2013, 1 Ordinary Share of £15,000 was allotted for cash at par.

On 3 May 2013, shareholders passed a written resolution to consolidate 249 Ordinary Shares of £15,000 each into 83 Ordinary Shares of £45,000 each.

On 2 July 2013, shareholders passed a written resolution to reduce the nominal value of each share from £45,000 to £25,750 per share.

	31.03.14	
	No.	£
Ordinary Shares of £45,000 each	83	3,735,000
Capital reduction	<u>-</u>	<u>(1,597,750)</u>
Ordinary Shares of £25,750 each	<u>83</u>	<u>2,137,250</u>

On 2 July 2013, shareholders passed a written resolution to subdivide the 83 Ordinary Shares of £25,750 each into 213,725 Ordinary Shares of £10 each.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

## 21. RESERVES

**Group**

	Retained earnings £
At 1 April 2014	1,059,486
Profit for the year	<u>542,250</u>
At 31 March 2015	<u><u>1,601,736</u></u>

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 April 2013	(11,118,192)	9,704,549	158,342	(1,255,301)
Profit for the year	717,037	-	-	717,037
Capital reduction	<u>11,460,641</u>	<u>(9,704,549)</u>	<u>(158,342)</u>	<u>1,597,750</u>
At 31 March 2014	<u><u>1,059,486</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,059,486</u></u>

**Company**

	Retained earnings £
At 1 April 2014	626,820
Profit for the year	<u>256,982</u>
At 31 March 2015	<u><u>883,802</u></u>

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 April 2013	(11,080,013)	9,704,549	158,342	(1,217,122)
Profit for the year	246,192	-	-	246,192
Capital reduction	<u>11,460,641</u>	<u>(9,704,549)</u>	<u>(158,342)</u>	<u>1,597,750</u>
At 31 March 2014	<u><u>626,820</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>626,820</u></u>

The other reserve arose on the recognition as an expense of the fair value of the share options granted by the Company, in earlier periods. In accordance with IFRS 2, this expense was recognised as a charge against profits for the period and included in staff costs, with the corresponding credit to the other reserve.

During the period ended 31 March 2014, a capital reduction was undertaken. Consequently, the other reserve was transferred to the profit and loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

22. TRADE AND OTHER PAYABLES

	Group		Company	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Current:				
Trade creditors	51,641	62,537	3,270	7,284
Social security and other taxes	230,616	76,296	55,071	2,351
Other creditors	3,187	3,187	-	-
Accruals and deferred income	151,508	302,619	21,000	129,729
	<u>436,952</u>	<u>444,639</u>	<u>79,341</u>	<u>139,364</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

23. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Current:				
Bank loans	841,376	1,002,655	-	-
Other loans	<u>737,000</u>	<u>1,102,342</u>	-	<u>365,342</u>
	<u>1,578,376</u>	<u>2,104,997</u>	-	<u>365,342</u>

Terms and debt repayment schedule

Group

	1 year or less £
Bank loans	841,376
Other loans	<u>737,000</u>
	<u>1,578,376</u>

At 31 March 2015, other loans comprised a loan for the purchase of investment properties. There are no formal terms of repayment for this loan, and no interest is chargeable.

At 31 March 2015, bank loans comprised a loan in respect of development properties. The loan is secured on the development properties to which it relates, bears interest at a rate of 4.5% pa, and is repayable as properties are sold.

24. DEFERRED TAX

Group

	31.3.15	31.3.14
	£	£
Balance at 1 April	(1,774)	-
Depreciation in excess of tax allowances	<u>(2,081)</u>	-
Balance at 31 March	<u>(3,855)</u>	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**24. DEFERRED TAX - continued**

No deferred tax liabilities have arisen in the Group or the Company in the current or the previous period, and no deferred tax amounts were provided in the previous period in either the Group or the Company.

Deferred tax assets arise from depreciation in excess of capital allowances, and from the availability of losses to offset future taxable profits.

The components of the deferred tax asset are set out below:

<b>Group</b>	31.03.15 £	31.03.14 £
Deferred tax asset		
Depreciation in excess of capital allowances	<u>3,885</u>	<u>1,774</u>
	<u>3,885</u>	<u>1,774</u>

At 31 March 2015, the Group and Company had respectively tax losses of approximately £0.9m and £0.9m (2014: Group: £1.1m, Company: £1.0m) available, subject to the agreement of the tax authorities, to offset future taxable profits. No deferred tax asset has been recognised in respect of these losses due to uncertainties as to the extent and timing of their future recovery.

**25. RELATED PARTY DISCLOSURES****Group**

The Group's ultimate controlling party, Lord Ashcroft KCMG PC, is also the ultimate controlling party of Strand Associates Limited.

During the previous period, the Group received a loan of £737,000 from Strand Associates Limited to finance the purchase of investment properties. There are no formal terms for the repayment of this loan, which carries no interest.

Mr P A F Harris, a director of the Company, has provided personal guarantees in respect of some elements of bank facilities granted to subsidiary companies.

Mr S A Banks-Cooper, who was a director of the Company from 20 Dec 2013 until 7 May 2014, was also a director of GHG London Realty Limited until 30 April 2014. Mr P A F Harris, a director of the Company, has been a director of GHG London Realty Limited since 30 April 2014.

SUSD Limited, a subsidiary of the company, has been engaged, on normal commercial terms, to provide development management services to GHG London Realty Limited in respect of a luxury hotel development in central London.

During the period, SUSD Limited has charged GHG London Realty Limited £126,343 (previous period, 20 December 2013 to 31 March 2014 £34,290) in respect of these services. At 31 March 2015, there were no amounts owed to SUSD Limited by GHG London Realty (2014: £nil).

**Company**

During the previous period, the Company issued a deep discount bond to Mayfair Limited, as nominee for Lord Ashcroft KCMG PC. The amount received in cash was £350,000, and the bond was redeemed during the period. The interest rate implicit in the bond is 10%. At 31 March 2014, the amount outstanding under the bond was £365,342.

During the year, the Company and its subsidiaries have incurred administrative expenses which relate wholly or partly to other members of the Group. In addition, the Company and subsidiaries have made payments to settle trading liabilities of other Group members, and corporation tax liabilities through group relief arrangements. The Company has also provided working capital finance to SUSD Limited. These amounts have been settled through intercompany accounts, which bear interest at commercial rates.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**25. RELATED PARTY DISCLOSURES - continued**

At the year end, the amount owed to the Company by SUSD Limited was £2,712,247 (2014: £2,671,847).

Mr I G Robinson, a director of the Company, is also a director of Anne Street Partners Limited. During the year, the Company was charged £10,000 (2014: £10,000) by Anne Street Partners Limited in respect of the services of Mr I G Robinson, and £nil (2014: £80,000) in respect of administrative support and related services. At 31 March 2015, £nil was outstanding to Anne Street Partners Limited (2014: £82,500).

**26. ULTIMATE CONTROLLING PARTY**

Lord Ashcroft KCMG PC is the Company's ultimate controlling party.