

DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED

COMPANY INFORMATION

Directors	B Elwood M Elwood D Fixter
Company secretary	E Ross
Registered number	07876028
Registered office	Devonshire Green House 14 Fitzwilliam Street Sheffield S1 4JL
Bankers	Svenska Handelsbanken 7 Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE

DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED

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DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED
REGISTERED NUMBER:07876028

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	2	<u>11,285</u>	<u>11,928</u>
		11,285	11,928
Current assets			
Debtors	3	24,446	23,734
Cash at bank and in hand		<u>23</u>	
		24,469	23,771
Creditors: amounts falling due within one year	4	<u>(5,648)</u>	<u>(3,805)</u>
Net current assets		18,821	19,966
Total assets less current liabilities		30,106	31,894
Creditors: amounts falling due in over one year	5	(25,800)	(26,300)
Provision for liabilities	6	<u>(724)</u>	<u>(790)</u>
		(724)	(790)
Net assets		3,582	4,804
Capital and reserves			
Called up share capital	7	-	-
Revaluation reserve		3,537	4,303
Profit and loss account		<u>45</u>	<u>501</u>
Total shareholders' funds		3,582	4,804

The notes on pages 2 to 10 form part of these financial statements.

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors' have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements have been delivered in accordance with the provisions made available under section 444 of the Companies Act, applicable to companies subject to the small companies regime, with exemptions from filing Directors Report and Profit and Loss Account taken.

The financial statements on pages 1 to 9 were approved and authorized for issue by the board and were signed on its behalf on 30/09/2019 by:


D Fixter
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of specific assets and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

1.2 Going concern

The financial statements have been prepared on a going concern basis that assumes the company will be able to continue in operational existence for the foreseeable future. The validity of this assumption depends on Elmsdale Estates Limited (being the ultimate parent company) and the group being able to manage its finances within its available banking facilities and the ultimate parent company providing support to the company.

On 23 July 2018, new banking facilities for the Elmsdale Estates Limited group were signed and these new facilities expire on 23 July 2023.

In view of the above, the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis.

1.3 Revenue

Turnover represents rental income from commercial and residential properties.

Rental income is accounted for as it falls due in accordance with the lease. Any lease incentives are spread across the initial period of the lease so as to recognise income evenly up to the first rent review, in accordance with FRS 102. Income relating to future periods is included within accruals and deferred income.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 25 - 50% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Gain/(Loss) on revaluation of investment property' in the profit and loss account.

1.5 Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

1.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change 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 income tax 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 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; and
- 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. TANGIBLE FIXED ASSETS

	Investment property - freehold	Fixtures and fittings	Total
	£000	£000	£000
COST OR VALUATION			
At 1 January 2018	11,925	305	12,230
Additions	192	-	192
Revaluations	(832)	-	(832)
At 31 December 2018	11,285	305	11,590
DEPRECIATION			
At 1 January 2018	-	302	302
Charge for the year	-	3	3
At 31 December 2018	-	305	305
NET BOOK VALUE			
At 31 December 2018	11,285	-	11,285
At 31 December 2017	11,925	3	11,928

At 31 December 2018, the group's investment properties were re-valued on the basis of existing use value by management. The valuation was based on a valuation performed by Cushman and Wakefield, a firm of independent Chartered Surveyors, on 10 October 2018. Management consider that the value as per these valuations is materially in line with that at 31 December 2018. All valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

The valuations have been incorporated into these financial statements. The revaluation resulted in a loss of £832k being recognised through the profit and loss account (2017: gain of £488k).

If the revalued assets had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £000	2017 £000
Cost	7,023	6,831
NET BOOK VALUE	7,023	6,831

DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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3. DEBTORS

	2018	2017
	£000	£000
Trade debtors	13	21
Amounts owed by group undertakings	24,386	23,633
Other debtors	30	63
Prepayments and accrued income	17	17
	24,446	23,734

Amounts owed by group undertakings are interest free, payable on demand and are unsecured.

4. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Bank loans	500	400
Payments received on account	32	9
Trade creditors	55	93
Amounts owed to group undertakings	4,738	2,030
Other creditors	92	1,015
Accruals and deferred income	231	258
	5,648	3,805

Amounts owed to group undertakings are interest free, payable on demand and are unsecured.

5. CREDITORS: Amounts falling due in over one year

	2018	2017
	£000	£000
Bank loans	25,800	26,300

On 7 November 2016, facilities were agreed that expire on 31 October 2021.

The bank loan attracts interest at 2.55% above LIBOR with quarterly repayments of £125k. These borrowings are secured by way of fixed charge over the investment property of the company and its subsidiaries.

DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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6. PROVISION FOR LIABILITIES

	Deferred tax £000
At 1 January 2018	790
Charged to the profit or loss	(66)
AT 31 DECEMBER 2018	724

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Creditable gains on property revaluations	724	790

7. CALLED UP SHARE CAPITAL

	2018 £000	2017 £000
Allotted, called up and fully paid		
1 (2017: 1) ordinary share of £1	-	-

8. RELATED PARTY TRANSACTIONS

At 31 December 2018, the company was owed £30k (2017: £59k) from and owed £90k (2017: £736k) to a number of companies under common control. The Company also owed £nil (2017: £279k) to a Trust controlled by the directors. During the period the company was charge interest of £29k (2017: £35k) by some of the entities under common control.

DEVONSHIRE GREEN (BROOMGROVE ROAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Huttons Buildings Limited	UK	Ordinary	100%	Property investment
Porterbrook House Limited	UK	Ordinary	100%	Property investment
Gatecrasher Apartments Limited	UK	Ordinary	100%	Property investment

The aggregate value of share capital held by the parent company was £3 (2017: £3).

All subsidiary companies share the same registered office address as the parent company.

7. CONTROLLING PARTY

The immediate parent undertaking is Devonshire Green Holdings Limited:

The ultimate parent undertaking is Elmsdale Estates Limited, a company incorporated in Great Britain. The financial statements of Elmsdale Estates Limited are available to the public and may be obtained from Devonshire Green House, West One, 14 Fitzwilliam Street, Sheffield, S1 4JL. The directors regard Mr Brendan Elwood and his family as the ultimate controlling party, by virtue of their 85% interest in the issued share capital of Elmsdale Estates Limited.