

**SANDWOOD SECURITIES LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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COMPANIES HOUSE

## **SANDWOOD SECURITIES LIMITED**

### **COMPANY INFORMATION**

|                          |                                                                                                                                                      |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>         | C B Willoughby<br>S W Willoughby<br>J H Howarth<br>S C Clarke                                                                                        |
| <b>Company secretary</b> | C B Willoughby                                                                                                                                       |
| <b>Registered number</b> | 00856474                                                                                                                                             |
| <b>Registered office</b> | 4 Vicarage Street<br>Beeston<br>Nottingham<br>NG9 1BW                                                                                                |
| <b>Accountants</b>       | PKF Cooper Parry Group Limited<br>Chartered Accountants<br>Sky View<br>Argosy Road<br>East Midlands Airport<br>Castle Donington<br>Derby<br>DE74 2SA |

# **SANDWOOD SECURITIES LIMITED**

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**SANDWOOD SECURITIES LIMITED**  
**REGISTERED NUMBER: 00856474**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

|                                                                | Note | 2017<br>£               | As restated<br>2016<br>£ |
|----------------------------------------------------------------|------|-------------------------|--------------------------|
| <b>Fixed assets</b>                                            |      |                         |                          |
| Investments                                                    | 3    | 573,145                 | 573,145                  |
| Investment property                                            | 4    | 4,719,956               | 4,719,956                |
|                                                                |      | <u>5,293,101</u>        | <u>5,293,101</u>         |
| <b>Current assets</b>                                          |      |                         |                          |
| Stocks                                                         | 5    | 138,944                 | 148,660                  |
| Debtors: amounts falling due within one year                   | 6    | 175,784                 | 175,784                  |
| Cash at bank and in hand                                       |      | 73,687                  | 74,621                   |
|                                                                |      | <u>388,415</u>          | <u>399,065</u>           |
| <b>Creditors: amounts falling due within one year</b>          | 7    | <u>(1,343,832)</u>      | <u>(1,403,088)</u>       |
| <b>Net current liabilities</b>                                 |      | (955,417)               | (1,004,023)              |
| <b>Total assets less current liabilities</b>                   |      | 4,337,684               | 4,289,078                |
| <b>Creditors: amounts falling due after more than one year</b> | 8    | (535,024)               | (581,572)                |
| <b>Provisions for liabilities</b>                              |      |                         |                          |
| Deferred tax                                                   |      | (226,108)               | (266,009)                |
| <b>Net assets</b>                                              |      | <u><u>3,576,552</u></u> | <u><u>3,441,497</u></u>  |
| <b>Capital and reserves</b>                                    |      |                         |                          |
| Called up share capital                                        |      | 33,193                  | 33,193                   |
| Investment property revaluation reserve                        | 12   | 1,064,036               | 1,064,036                |
| Profit and loss account                                        | 12   | 2,479,323               | 2,344,268                |
|                                                                |      | <u><u>3,576,552</u></u> | <u><u>3,441,497</u></u>  |

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

**SANDWOOD SECURITIES LIMITED**  
**REGISTERED NUMBER: 00856474**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**S W Willoughby**  
Director

Date: 26 SEPTEMBER 2017

The notes on pages 3 to 11 form part of these financial statements.

## **SANDWOOD SECURITIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

Sandwood Securities Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 March 2017 (2016: year ended 31 March 2016).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company transitioned from the previously extant UK GAAP to FRS 102 as at 1 April 2015. The transition has had a material effect on the financial statements and adjustments have been necessary to restate the financial statements previously presented under UK GAAP. Information on the impact of first time adoption of FRS 102 is given in note 15.

The following principal accounting policies have been applied:

##### **1.2 Going concern**

At 31 March 2017 the company had net current liabilities of £955,417 as a result of balances due to directors and amounts owed to group undertakings being classified as payable on demand. Confirmation has been provided by the directors that repayment of director loan account balances and amounts owed to group undertakings will only be made as and when funds permit. The directors therefore consider it appropriate to prepare the accounts on a going concern basis.

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of rental income receivable from tenants of the company's investment properties, exclusive of value added tax and trade discounts.

##### **1.4 Investment property**

Investment property is carried at fair value determined annually by the director 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.

##### **1.5 Valuation of investments**

Investments in subsidiaries are measured at cost and reviewed annually for signs of impairment. If an impairment loss is identified, this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

##### **1.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

## **SANDWOOD SECURITIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **1. Accounting policies (continued)**

##### **1.7 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

##### **1.8 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 the shareholders at an annual general meeting.

##### **1.9 Pensions**

###### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### **1.10 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.

## **SANDWOOD SECURITIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **1. Accounting policies (continued)**

##### **1.11 Current and deferred taxation**

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **1.12 Prior year restatements**

As at 31 March 2016, the company had amounts owed to group undertakings and balances due to directors included within creditors due after one year amounting to £1,247,207. The presentation has been reviewed and to more appropriately reflect the nature of the balances, they have been reclassified to creditors due within one year.

The presentation in the profit and loss account of certain turnover and costs have been reclassified to better reflect the nature of the transactions.

The classifications have had no impact on the profit before tax for the current or prior year or to the net asset position.

#### **2. Employees**

The average monthly number of employees, including directors, during the year was 6 (2016 - 6).

**SANDWOOD SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**3. Fixed asset investments**

|                          | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> |
|--------------------------|--------------------------------------------------------------|
| <b>Cost or valuation</b> |                                                              |
| At 1 April 2016          | 1,748,807                                                    |
| At 31 March 2017         | <u>1,748,807</u>                                             |
| <b>Impairment</b>        |                                                              |
| At 1 April 2016          | 1,175,662                                                    |
| At 31 March 2017         | <u>1,175,662</u>                                             |
| <b>Net book value</b>    |                                                              |
| At 31 March 2017         | <u>573,145</u>                                               |
| At 31 March 2016         | <u>573,145</u>                                               |

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

| <b>Name</b>                       | <b>Country of<br/>incorporation</b> | <b>Class of shares</b> | <b>Holding</b> |
|-----------------------------------|-------------------------------------|------------------------|----------------|
| Willoughby Garages Nottm. Limited | England and Wales                   | Ordinary               | 100 %          |
| Flightcroft Limited               | England and Wales                   | Ordinary               | 100 %          |
| F. Nicholson Limited              | England and Wales                   | Ordinary               | 100 %          |

**SANDWOOD SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**4. Investment property**

|                         | <b>Freehold<br/>investment<br/>property<br/>£</b> |
|-------------------------|---------------------------------------------------|
| <b>Valuation</b>        |                                                   |
| At 1 April 2016         | 4,719,956                                         |
| <b>At 31 March 2017</b> | <u>4,719,956</u>                                  |

The 2017 valuations were made by the directors, on an open market value for existing use basis.

The directors do not consider that the valuation of the investment properties to be materially different from fair value as at 31 March 2017.

**5. Stocks**

|                            | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|----------------------------|-------------------|-------------------|
| Properties held for resale | 138,944           | 148,660           |
|                            | <u>138,944</u>    | <u>148,660</u>    |

**6. Debtors**

|                                    | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|------------------------------------|-------------------|-------------------|
| Amounts owed by group undertakings | 175,784           | 175,784           |
|                                    | <u>175,784</u>    | <u>175,784</u>    |

**SANDWOOD SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**7. Creditors: Amounts falling due within one year**

|                                    | <b>2017</b>      | <b>2016</b>      |
|------------------------------------|------------------|------------------|
|                                    | <b>£</b>         | <b>£</b>         |
| Bank loans                         | 44,514           | 42,480           |
| Trade creditors                    | 418              | 360              |
| Amounts owed to group undertakings | 750,407          | 750,407          |
| Corporation tax                    | 57,935           | 37,003           |
| Other taxation and social security | 21,029           | 20,733           |
| Other creditors                    | 426,800          | 496,800          |
| Accruals and deferred income       | 42,729           | 55,305           |
|                                    | <u>1,343,832</u> | <u>1,403,088</u> |

The bank loans are secured by a first legal charge over the company's freehold investment properties

**8. Creditors: Amounts falling due after more than one year**

|            | <b>2017</b>    | <b>2016</b>    |
|------------|----------------|----------------|
|            | <b>£</b>       | <b>£</b>       |
| Bank loans | 535,024        | 581,572        |
|            | <u>535,024</u> | <u>581,572</u> |

**9. Loans**

Analysis of the maturity of loans is given below:

|                                                    | <b>2017</b>    | <b>2016</b>    |
|----------------------------------------------------|----------------|----------------|
|                                                    | <b>£</b>       | <b>£</b>       |
| <b>Amounts falling due within one year</b>         |                |                |
| Bank loans                                         | 44,514         | 42,480         |
| <b>Amounts falling due 1-2 years</b>               |                |                |
| Bank loans                                         | 89,028         | 84,960         |
| <b>Amounts falling due 2-5 years</b>               |                |                |
| Bank loans                                         | 133,542        | 127,440        |
| <b>Amounts falling due after more than 5 years</b> |                |                |
| Bank loans                                         | 312,454        | 369,172        |
|                                                    | <u>579,538</u> | <u>624,052</u> |

**SANDWOOD SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**10. Deferred taxation**

|                           | <b>2017<br/>£</b> |
|---------------------------|-------------------|
| At beginning of year      | 266,009           |
| Charged to profit or loss | 39,901            |
| <b>At end of year</b>     | <b>226,108</b>    |

The provision for deferred taxation is made up as follows:

|                      | <b>2017<br/>£</b> |
|----------------------|-------------------|
| Property revaluation | 226,108           |
|                      | <b>226,108</b>    |

**11. Share capital**

|                                           | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|-------------------------------------------|-------------------|-------------------|
| <b>Shares classified as equity</b>        |                   |                   |
| <b>Allotted, called up and fully paid</b> |                   |                   |
| 17,926 A Ordinary shares of £1 each       | 17,926            | 17,926            |
| 3,817 B Ordinary shares of £1 each        | 3,817             | 3,817             |
| 3,817 C Ordinary shares of £1 each        | 3,817             | 3,817             |
| 3,817 D Ordinary shares of £1 each        | 3,817             | 3,817             |
| 3,816 E Ordinary shares of £1 each        | 3,816             | 3,816             |
|                                           | <b>33,193</b>     | <b>33,193</b>     |

All shares rank pari passu in respect of dividends and voting rights.

**12. Reserves**

**Revaluation reserve**

The investment property revaluation reserve represents movements between historical cost and the fair value of investment properties.

**SANDWOOD SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**13. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company and in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,168 (2016: £109,830).

Contributions totalling £nil (2016: £nil) were payable to the fund at the balance sheet date.

**14. Controlling party**

The company is controlled by C B Willoughby and S W Willoughby.

# SANDWOOD SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 15. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

#### Reconciliation of equity at 1 April 2015

|                                                                    | Note | £                |
|--------------------------------------------------------------------|------|------------------|
| Equity at 1 April 2015 under previous UK GAAP                      |      | 3,714,311        |
| Deferred tax liability arising on investment property revaluations | 1    | (266,009)        |
| <b>Equity shareholders funds at 1 April 2015 under FRS 102</b>     |      | <b>3,448,302</b> |

#### Reconciliation of equity at 31 March 2016

|                                                                    | Note | £                |
|--------------------------------------------------------------------|------|------------------|
| Equity at 31 March 2016 under previous UK GAAP                     |      | 3,707,506        |
| Deferred tax liability arising on investment property revaluations | 1    | (266,009)        |
| <b>Equity shareholders funds at 31 March 2016 under FRS 102</b>    |      | <b>3,441,497</b> |

#### Reconciliation of profit and loss account for the year ended 31 March 2016

|                                                              | £              |
|--------------------------------------------------------------|----------------|
| Profit for the year under previous UK GAAP                   | 148,011        |
| <b>Profit for the year ended 31 March 2016 under FRS 102</b> | <b>148,011</b> |

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 FRS 102 required the recognition of deferred tax liabilities arising on the revaluation of investment property. No such adjustment was required under previous UK GAAP. The adjustments reflect the provision for deferred tax on the revaluations.