

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

FOR

STONEHURST ESTATES LIMITED

FRIDAY



A6MAQ6Y9

A06

29/12/2017

#239

COMPANIES HOUSE

STONEHURST ESTATES LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

STONEHURST ESTATES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2017

DIRECTOR: S A Briggs

SECRETARY: Mrs C J Briggs

REGISTERED OFFICE: Danehill Lodge
Tanyard Lane
Danehill
Haywards Heath
West Sussex
RH17 7JW

REGISTERED NUMBER: 01070521 (England and Wales)

AUDITORS: Parkers
Chartered Accountants and Statutory Auditors
178-180 Church Road
Hove, East Sussex
BN3 2DJ

STONEHURST ESTATES LIMITED (REGISTERED NUMBER: 01070521)

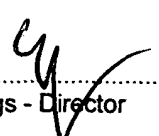
**BALANCE SHEET
31ST MARCH 2017**

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		13,833		17,122
Investments	5		1,989,102		1,427,102
Investment property	6		8,050,000		8,050,000
			<u>10,052,935</u>		<u>9,494,224</u>
CURRENT ASSETS					
Stocks	7	2,034,266		1,609,894	
Debtors	8	5,520,434		10,770,481	
Cash at bank		80,713		26,609	
		<u>7,635,413</u>		<u>12,406,984</u>	
CREDITORS					
Amounts falling due within one year	9	9,707,058		9,446,424	
NET CURRENT (LIABILITIES)/ASSETS			<u>(2,071,645)</u>		<u>2,960,560</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,981,290</u>		<u>12,454,784</u>
CREDITORS					
Amounts falling due after more than one year	10		-		(2,481,250)
PROVISIONS FOR LIABILITIES	12		<u>(550,000)</u>		<u>(600,000)</u>
NET ASSETS			<u><u>7,431,290</u></u>		<u><u>9,373,534</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		147,160		147,160
Share premium			7,350		7,350
Unrealised intra-group property transfer reserve			2,234,347		2,234,347
Fair value reserve	14		5,278,165		5,228,165
Retained earnings			<u>(235,732)</u>		<u>1,756,512</u>
SHAREHOLDER FUNDS			<u><u>7,431,290</u></u>		<u><u>9,373,534</u></u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 21/12/17 and were signed by:


S A Briggs - Director

The notes form part of these financial statements

STONEHURST ESTATES LIMITED

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

1. STATUTORY INFORMATION

Stonehurst Estates Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Significant judgements and estimates

No significant judgements have had to be made by the directors in preparing these financial statements.

Turnover

Turnover comprises property sale proceeds, contract works and development fees invoiced and rents receivable, all excluding VAT.

Tangible fixed assets

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

Furniture & equipment	- term of leases
Motor vehicles	- 25% on reducing balance

Investments in subsidiaries and associates

Investments in subsidiary and associate undertakings are recognised at cost less any provision for impairment.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Developments/work in progress

Property developments in progress and work in progress are valued at the lower of cost and net realisable value.

Cost comprises the initial purchase price together with subsequent direct costs.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

STONEHURST ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Employee benefit trusts

The company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts were held by independent trustees and managed at their discretion.

When the monies held in a trust were determined by the company on the basis of employees' past services to the business and an allocation of trust funds to employees in respect of those past services was declared and the company could obtain no future economic benefit from those monies, such monies, were charged to the profit and loss account in the period to which they related.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 1 (2016 - 1).

4. TANGIBLE FIXED ASSETS

	Furniture & equipment £	Motor vehicles £	Totals £
COST			
At 1st April 2016 and 31st March 2017	37,031	12,250	49,281
DEPRECIATION			
At 1st April 2016	29,097	3,062	32,159
Charge for year	992	2,297	3,289
At 31st March 2017	30,089	5,359	35,448
NET BOOK VALUE			
At 31st March 2017	6,942	6,891	13,833
At 31st March 2016	7,934	9,188	17,122

STONEHURST ESTATES LIMITED

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

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st April 2016 and 31st March 2017	2,608,367
PROVISIONS	
At 1st April 2016	1,181,265
Provision for year	400,000
Reversal of impairments	(962,000)
At 31st March 2017	619,265
NET BOOK VALUE	
At 31st March 2017	1,989,102
At 31st March 2016	1,427,102

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Temple Grove House Limited

Registered office: United Kingdom
Nature of business: Property development

	%		
Class of shares:	holding	2017	2016
Ordinary	100.00	£	£
Aggregate capital and reserves		(175,649)	(184,916)
Profit for the year		9,267	4,792

Joseph Yates Limited

Registered office:
Nature of business: Property investment

	%		
Class of shares:	holding	2017	2016
Ordinary	100.00	£	£
Aggregate capital and reserves		1,376,397	1,389,337
(Loss)/profit for the year		(12,940)	673,341

STONEHURST ESTATES LIMITED

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

5. FIXED ASSET INVESTMENTS - continued

Capitalclimb Limited

Registered office:

Nature of business: Apartment hotel and property investment

	%	
Class of shares:	holding	
Ordinary	75.19	

	2017	2016
	£	£
Aggregate capital and reserves	6,012,565	5,659,746
Profit for the year	<u>352,819</u>	<u>728,665</u>

Stoneacre Construction Limited

Registered office:

Nature of business: Construction contractor

	%	
Class of shares:	holding	
Ordinary	75.19	

	2017	2016
	£	£
Aggregate capital and reserves	(371,723)	(66,731)
Loss for the year	<u>(304,992)</u>	<u>(2,353)</u>

Bond City Limited

Registered office:

Nature of business: Property development and construction

	%	
Class of shares:	holding	
Ordinary shares	75.00	

	2017	2016
	£	£
Aggregate capital and reserves	(3,073,056)	(51,545)
Loss for the year	<u>(3,021,511)</u>	<u>(24,497)</u>

6. INVESTMENT PROPERTY

FAIR VALUE

At 1st April 2016

and 31st March 2017

**Total
£**

8,050,000

NET BOOK VALUE

At 31st March 2017

8,050,000

At 31st March 2016

8,050,000

Fair value at 31st March 2017 is represented by:

Valuation in 2017

**£
8,050,000**

STONEHURST ESTATES LIMITED

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

6. INVESTMENT PROPERTY - continued

If the investment property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>1,021,315</u>	<u>1,021,315</u>

The investment property was valued on an open market basis on 31st March 2017 by the Director.

7. STOCKS

	2017 £	2016 £
Work-in-progress	<u>2,034,266</u>	<u>1,609,894</u>

In the Director's opinion the replacement cost of the property stocks at 31st March 2017 is not significantly different to cost.

8. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	15,120	6,630
Amounts owed by group undertakings	4,787,841	8,252,593
Amounts owed by associates	50,000	2,193,887
Other debtors	32,972	236,195
Tax	5,767	-
VAT	12,104	19,312
	<u>4,903,804</u>	<u>10,708,617</u>
Amounts falling due after more than one year:		
Accelerated tax payment	<u>616,630</u>	<u>61,864</u>
Aggregate amounts	<u>5,520,434</u>	<u>10,770,481</u>

The recoverability of the accelerated tax payment is dependent on H M Revenue & Customs agreeing that there is no PAYE due on the company's payments to the Employment Benefit Trust.

STONEHURST ESTATES LIMITED

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts	2,606,264	78
Trade creditors	55,749	86,232
Amounts owed to group undertakings	3,699,606	4,911,305
Corporation tax	-	8,000
Other creditors	100,000	100,000
Amounts owed to connected undertakings	3,000,000	4,100,000
Director's current account	117,910	141,160
Accruals and deferred income	109,969	99,649
	<u>9,689,498</u>	<u>9,446,424</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Bank loans - 2-5 years	<u>-</u>	<u>2,481,250</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank loans	<u>2,606,250</u>	<u>2,481,250</u>

The bank loan is secured on the investment property and by a fixed and floating charge over all current and future assets of the company and was repaid on maturity in December 2017.

12. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>550,000</u>	<u>600,000</u>
		Deferred tax
		£
Balance at 1st April 2016		600,000
Investment property indexation		(50,000)
Balance at 31st March 2017		<u>550,000</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017 £	2016 £
Number:	Class:	Nominal value:		
147,160	Ordinary	£1	<u>147,160</u>	<u>147,160</u>

STONEHURST ESTATES LIMITED

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

14. RESERVES

	Fair value reserve £
At 1st April 2016	5,228,165
Deferred tax provided on property transferred	50,000
At 31st March 2017	<u>5,278,165</u>

15. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was qualified on the following basis:

Basis for qualified opinion on financial statements

We have been unable to obtain sufficient appropriate audit evidence to determine whether :

the provision of £2,580,000 against the debt due from and investment in Bond City Limited is adequate or excessive as it has been based on the unaudited accounts of Bond City Limited, which do not reflect the potential credit for a land remediation tax credit claim for the year, and we have been unable to determine the extent and collectability of any clawback due to the company from the two directors of Bond City Limited who sold shares to the company for £1million in the previous year; and

the £616,630 paid to HM Revenue Customs under Advance Payment Notices is recoverable, whether the balance of the payments due after the year end should also be provided or if there should be a charge to the profit and loss account for tax and National Insurance as director's remuneration, as the disputed status of the payments to the Employee Benefit Trust has yet to be settled with H M Revenue & Customs.

Matters required to report by exception

As disclosed in the basis for qualified opinion, we have not received all the information and explanations we require for our audit.

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 qualified opinion:

Stephen Monk FCA (Senior Statutory Auditor)
for and on behalf of Parkers

16. CONTINGENT LIABILITIES

The company has been notified by HM Revenue & Customs that it has a contingent liability for PAYE on the contributions to the Employee Benefit Trust in the years ended 31st March 2008 and 31st March 2009 of approximately £800,000 for which the company has now received Accelerated Payment Notices and made instalment payments of £616,630 which are shown as an amount recoverable in more than one year in debtors pending the resolution of HMRC's challenge to these arrangements.

STONEHURST ESTATES LIMITED

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

17. RELATED PARTY DISCLOSURES

S A Briggs

Director

Unsecured interest free advances, repayable on demand and personal guarantee on part of the bank loan.

	2017 £	2016 £
Amount due to related party at the balance sheet date	<u>117,910</u>	<u>141,160</u>

Bligh & Briggs Partnership

S A Briggs a partner

Back to back bank loan facilities of £5.65 million secured on partnership assets with interest payable at 2.75% and non-utilisation fees reimbursed.

	2017 £	2016 £
Amount due to related party at the balance sheet date	<u>3,000,000</u>	<u>4,100,000</u>

Bayhurst Securities Limited

Subsidiary company

Unsecured interest free advances, repayable on demand.

	2017 £	2016 £
Amount due to related party at the balance sheet date	<u>2,956,142</u>	<u>2,673,084</u>

Joseph Yates Limited

Subsidiary company

2014 transfer of investment property to Joseph Yates Limited at its then market value of £6.15 million together with the balance of the associated bank loan, less subsequent cash receipts; the balance being interest free and repayable on demand.

	2017 £	2016 £
Amount due from related party at the balance sheet date	<u>3,189,258</u>	<u>3,372,850</u>

Temple Grove House Limited

Subsidiary company

Interest free development funding repayable on demand.

	2017 £	2016 £
Amount due from related party at the balance sheet date	<u>358,563</u>	<u>358,563</u>
Provisions for doubtful debt at the balance sheet date	<u>(175,000)</u>	<u>(185,000)</u>

STONEHURST ESTATES LIMITED

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

17. RELATED PARTY DISCLOSURES - continued

Stoneacre Construction Limited

Fellow subsidiary

Interest free inter-company loan of £230,000 repayable on demand.

	2017 £	2016 £
Amount due from related party at the balance sheet date	230,000	33,900
Provisions for doubtful debt at the balance sheet date	<u>(230,000)</u>	<u>-</u>

The Light Brighton LLP

S A Briggs a partner

Back to back development loan with interest re-charged of £59,570, repaid with interest in October 2016.

	2017 £	2016 £
Amount due from related party at the balance sheet date	<u>-</u>	<u>2,143,887</u>

Bond City Limited

Subsidiary company

Development funding, pre interest contingent on successful completion of the development contract. £2million repaid in June 2016, balance at 31st March 2017 fully provided in year.

	2017 £	2016 £
Amount due from related party at the balance sheet date	2,180,000	4,152,280
Provisions for doubtful debt at the balance sheet date	<u>(2,180,000)</u>	<u>-</u>

Vittoria Apartments Limited

Fellow subsidiary company

Property development finance, interest free and repayable on demand.

	2017 £	2016 £
Amount due from related party at the balance sheet date	<u>1,415,000</u>	<u>520,000</u>

Capitalclimb Limited

Subsidiary company

Balance of the net amount due for the investment property transferred back to the company at its market value of £8,050,000 in December 2015, interest free, substantially repaid in the year and fully repaid in December 2017 prior to the sale of Capitalclimb Limited.

	2017 £	2016 £
Amount due to related party at the balance sheet date	<u>671,464</u>	<u>2,238,221</u>