

REGISTERED NUMBER: 03789340 (England and Wales)

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 30 April 2016
for
Sandle Heath Nurseries Limited

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Sandle Heath Nurseries Limited

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for the Year Ended 30 April 2016

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Sandle Heath Nurseries Limited

Company Information
for the Year Ended 30 April 2016

DIRECTOR:

P E Jones OBE

SECRETARY:

Ms A C Weatherby

REGISTERED OFFICE:

Lifetrend House
Heyes Lane
Alderley Edge
Cheshire
SK9 7LF

REGISTERED NUMBER:

03789340 (England and Wales)

AUDITOR:

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Sandle Heath Nurseries Limited

Strategic Report
for the Year Ended 30 April 2016

The director presents his strategic report for the year ended 30 April 2016.

BUSINESS MODEL

The principal activity of the company is now that of property management and development following the purchase of a small portfolio of commercial properties during the year.

The company is a wholly owned subsidiary undertaking of P.E. Jones (Properties) Limited.

STRATEGY, OBJECTIVES AND PRINCIPAL RISKS

The strategic objectives of the company, in support of those of the group as a whole are to:

- continue to maintain and increase occupancy whilst pro-actively managing the company's property portfolio to drive sustainable profitability and shareholder return;
- selectively pursue strategic property investment opportunities that meet the company's criteria for return and risk;
- expand the company's full service provision to customers with a property management or facilities management requirement.

As with any property company that is debt financed the director considers one of the key financial risks to be the ability of the company to meet the covenant requirements of borrowing facilities to which it is a party, and to successfully refinance those facilities at their maturity date. The director regularly reviews compliance with applicable covenants and has maintained a track record of meeting all such requirements throughout its history. Refinancing risk is mitigated, where relevant, by maintaining access to a variety of funders, continued covenant compliance, and manageable gearing levels.

The primary operating risks for the company centre around the macro level factors of the markets in which it operates, in particular the level of customer demand, pricing, discounts and lease terms and UK interest rate fluctuations. The director considers that the mix of properties and their experience and flexibility in pro-actively managing its portfolio to be key strengths of the business.

Where relevant, exposure to interest rate risk is managed by securing loans with low borrowing margins at attractive fixed rates.

Following adoption of Financial Reporting Standard 102 the requirement to report property revaluation movements through profit and loss could create major fluctuations in reported profit. Due to the size of the company's property portfolio, modest changes to property values could seriously distort the trading result and risks misleading stakeholders and their understanding of the underlying trading performance. This risk can only be mitigated through expanded explanation in the narrative of the accounts.

To ensure effective control and management of the principal business risks the director regularly reviews the key performance indicators of the company, which include occupancy levels, tenant payment performance, rental levels, interest cover and property values.

REVIEW OF THE YEAR

Turnover for the period was £81,473 (2015: £5,013), reflecting the purchase of a number of commercial properties in April 2015. The profit before tax for the year was £36,788 (2015: £94,480). Excluding revaluation movement profit before tax for the year was £40,346 (2015: £1,230).

Shareholders funds at 30 April 2016 were £108,564 (2015: £75,655), principally reflecting the profit for the year.

Sandle Heath Nurseries Limited

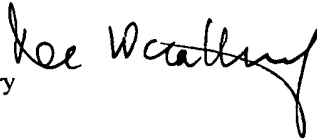
Strategic Report
for the Year Ended 30 April 2016

FUTURE OUTLOOK

The director is not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:

Ms A C Weatherby - Secretary

A handwritten signature in black ink, appearing to read 'A C Weatherby', written over the printed name.

20 December 2016

Sandle Heath Nurseries Limited

Report of the Director
for the Year Ended 30 April 2016

The director presents his report with the financial statements of the company for the year ended 30 April 2016.

DIVIDENDS

No dividends will be distributed for the period ended 30 April 2016 (2015: £nil).

DIRECTOR

The Director who served during the year was as follows:

P E Jones OBE (Chairman)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable laws), including Financial Reporting Standard 102 'The Financial Reporting standard applicable in the United Kingdom and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

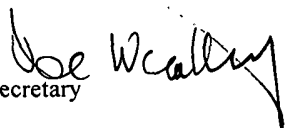
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

In accordance with section 487 of the Companies Act 2006, Grant Thornton UK LLP, is deemed re-appointed as auditor for the succeeding year.

APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:

Ms A C Weatherby - Secretary



20 December 2016

Report of the Independent Auditor to the Members of
Sandle Heath Nurseries Limited

We have audited the financial statements of Sandle Heath Nurseries Limited for the year ended 30 April 2016 which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at 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 company's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Director 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Martin (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

4 January 2017

Sandle Heath Nurseries Limited

Income Statement
for the Year Ended 30 April 2016

	Notes	2016 £	2015 £
TURNOVER	3	81,473	5,013
Revaluation (loss) / gain		(3,558)	93,350
Operating expenses		<u>(41,127)</u>	<u>(3,783)</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	36,788	94,580
Tax on profit on ordinary activities	6	<u>(3,879)</u>	<u>(18,927)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>32,909</u></u>	<u><u>75,653</u></u>

The notes form part of these financial statements

Sandle Heath Nurseries Limited

Statement of Comprehensive Income
for the Year Ended 30 April 2016

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		32,909	75,653
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>32,909</u>	<u>75,653</u>

The notes form part of these financial statements

Sandle Heath Nurseries Limited (Registered number: 03789340)

Balance Sheet
30 April 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investment property	7	796,442	800,000
CURRENT ASSETS			
Debtors	8	4,331	5,892
Cash at bank		57,817	-
		<u>62,148</u>	<u>5,892</u>
CREDITORS			
Amounts falling due within one year	9	<u>735,546</u>	<u>711,567</u>
NET CURRENT LIABILITIES		<u>(673,398)</u>	<u>(705,675)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		123,044	94,325
PROVISIONS FOR LIABILITIES	11	<u>14,480</u>	<u>18,670</u>
NET ASSETS		<u><u>108,564</u></u>	<u><u>75,655</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Retained earnings	13	<u>108,562</u>	<u>75,653</u>
SHAREHOLDERS' FUNDS		<u><u>108,564</u></u>	<u><u>75,655</u></u>

The financial statements were approved and authorised for issue by the director on 20 December 2016 and were signed by:



P E Jones OBE - Director

The notes form part of these financial statements

Sandle Heath Nurseries Limited

Statement of Changes in Equity
for the Year Ended 30 April 2016

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	2	-	2
Profit for the year	-	75,653	75,653
Balance at 30 April 2015	<u>2</u>	<u>75,653</u>	<u>75,655</u>
Changes in equity			
Profit for the year	-	32,909	32,909
Balance at 30 April 2016	<u>2</u>	<u>108,562</u>	<u>108,564</u>

The notes form part of these financial statements

Sandle Heath Nurseries Limited

Notes to the Financial Statements
for the Year Ended 30 April 2016

1. **GENERAL INFORMATION**

Sandle Heath Nurseries Limited is a limited liability company incorporated in England. The Registered Office is set out on page 1 to the financial statements and the nature of the company's operations and its principal activities are set out in the strategic report.

The financial statements are presented in sterling (£). The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 30 April 2016. The company transitioned from previously extant UK GAAP to FRS 102 as at 1 May 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 16.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 and have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The company meets its day to day working capital requirements through access to the Group's banking facilities. Based on the company's forecasts and projections, and those of the Group, together with available market information and the directors' knowledge and experience of the company's property portfolio and markets, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

The company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The valuation of the company's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

Sandle Heath Nurseries Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

2. **ACCOUNTING POLICIES - continued**

Turnover

Rents receivable are included on an accruals basis, with annual rentals credited to profit and loss on a straight line basis over the term of the lease.

Incentive payments and rent free periods given to new tenants to occupy the company's investment properties are treated as a reduction in revenue and initially recorded as prepayments. These are charged to profit and loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at fair value less the amount of the unamortised incentive.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to be continued to be charged over the shorter period to the date of the first market rent review rather than the term of the lease.

Investment properties

Investment properties comprise properties and interests in land held either to earn rental income or for capital appreciation, or both.

After initial recognition, investment properties are carried at their fair values based on market value as determined at each reporting date. The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the income statement as a valuation surplus or deficit. Profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. 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. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

Sandle Heath Nurseries Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

2. **ACCOUNTING POLICIES - continued**

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Financial instruments

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in interest payable in the income statement.

Other basic financial instruments including trade debtors, trade creditors and amounts due to and from related parties, with no stated interest rate and receivable or payable within one year, are recorded at transaction price. Such assets and liabilities are subsequently carried at amortised cost using the effective interest rate method. Any losses arising from impairment are recognised in the income statement.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss represents cumulative profits or losses, net of dividends paid and other adjustments.

3. **TURNOVER**

Turnover principally comprises rental income receivable from investment properties.

4. **DIRECTORS' EMOLUMENTS**

During the year the Directors neither received nor were due to receive any emoluments from the company. All Directors receive their remuneration from the ultimate parent company.

5. **OPERATING PROFIT**

Auditor's remuneration is borne by the ultimate parent company.

6. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2016 £	2015 £
Current tax:		
Corporation tax - current year	8,069	-
Group relief - current year	-	257
Total current tax	8,069	257
Deferred tax - current year	(4,190)	18,670
Tax on profit on ordinary activities	<u>3,879</u>	<u>18,927</u>

UK corporation tax has been charged at 20% (2015 - 20.92%).

Sandle Heath Nurseries Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	2016	2015
	£	£
Profit on ordinary activities before tax	36,788	94,580
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.920%)	7,358	19,786
Effects of:		
Tax relief on indexation allowance	(1,864)	(2)
Impact of change in tax rate	(1,615)	(857)
Total tax charge	3,879	18,927

7. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 May 2015	800,000
Revaluations	(3,558)
At 30 April 2016	796,442
NET BOOK VALUE	
At 30 April 2016	796,442
At 30 April 2015	800,000

Completed investment properties comprise freehold land and buildings of £796,442 (2015: £800,000).

The historical cost of completed investment properties is £706,650 (2015: £706,250).

Completed investment properties were internally valued as at 30 April 2016 by the Group Valuation Surveyor, who is a member of the Royal Institution of Chartered Surveyors. All internal valuations were carried out on a "Market Value Basis" as defined within the Practice Statements contained in the RICS Valuation Professional Standards published by the Royal Institution of Chartered Surveyors.

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Amounts owed by group undertakings	2	2
Prepayments and accrued income	4,329	5,890
	4,331	5,892

Sandle Heath Nurseries Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	576	-
Amounts owed to group undertakings	715,285	710,781
Corporation tax payable	8,069	-
Accruals and deferred income	11,616	786
	<u>735,546</u>	<u>711,567</u>

10. **LEASING AGREEMENTS**

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2016	2015
	£000	£000
Less than 1 year	79	74
Between 2 & 5 years	177	246
More than 5 years	28	57
Total	<u>284</u>	<u>377</u>

11. **PROVISIONS FOR LIABILITIES**

	2016	2015
	£	£
Deferred tax	<u>14,480</u>	<u>18,670</u>
		Deferred tax
		£
Balance at 1 May 2015		18,670
Credit to Income Statement during year		<u>(4,190)</u>
Balance at 30 April 2016		<u>14,480</u>
	2016	2015
	£	£
The provision for deferred tax comprises the following deferred tax liabilities / (assets):		
Investment property revaluation	<u>14,480</u>	<u>18,670</u>
	<u>14,480</u>	<u>18,670</u>

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

Sandle Heath Nurseries Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

13. **RESERVES**

	Retained earnings £
At 1 May 2015	75,653
Profit for the year	32,909
At 30 April 2016	108,562

14. **PARENT UNDERTAKING AND CONTROLLING PARTIES**

The company's parent company and controlling party is Sandle Heath Supplies Limited, a company incorporated in England.

The company's ultimate parent company and ultimate controlling party is P.E. Jones (Properties) Limited, a company incorporated in England.

The results of the company are included in the consolidated accounts of P.E. Jones (Properties) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff.

15. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 section 33 'The Financial Reporting Standard applicable to the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Sandle Heath Nurseries Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2016

16. FIRST YEAR ADOPTION

This is the first year that the company has prepared its results under FRS 102. The last financial statements under UK GAAP were for the year ended 30 April 2015. The date of transition to FRS 102 was 1 May 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 30 April 2015 and the total equity as at 1 May 2014 and 30 April 2015 between UK GAAP as previously reported and FRS 102.

	Note	Equity as at 1 May 2014 £	Profit for the year ended 30 April 2015 £	Equity as at 30 April 2015 £
As previously stated under former UK GAAP		2	973	975
Transitional adjustments:				
Presentation of revaluation gains on investment properties	(a)	-	93,350	-
Deferred tax on revaluations of investment properties	(b)	-	(18,670)	(18,670)
As stated in accordance with FRS 102		2	75,653	75,655

Transition to FRS 102 - explanatory notes

(a) Changes in the fair value of investment property

FRS 102 requires that changes in the fair value of investment properties be recognised in profit or loss for the period. Under previous UK GAAP these changes were recognised outside of profit or loss and presented separately in a revaluation reserve. This change has increased reported profit for the year ended 30 April 2015 but has not affected the measurement of investment property on the balance sheet.

(b) Deferred tax - revaluation of investment properties

FRS 102 requires that deferred tax be recognised on revaluations of investment property. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to increase the deferred tax charge for the year ended 30 April 2015.