Shoreridge Limited

Abbreviated Accounts

Year Ended

31 March 2012

Company Number SC220121

FRIDAY

S2M5W18U

SCT 29/11/2013 #178

COMPANIES HOUSE

Shoreridge Limited

Abbreviated accounts
for the year ended 31 March 2012

Contents

Page:

1 Independent auditor's report

4 Balance sheet

5 Notes forming part of the abbreviated accounts

Director

Ms A Poddar

Registered office

620 Shields Road, Glasgow, G41 2RD

Company number

SC220121

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Shoreridge Limited

Independent auditor's report

To Shoreridge Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of Shoreridge Limited for the year ended 31 March 2012 prepared under section 396 of the Companies Act 2006.

Our report has been prepared pursuant to the requirements of section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On we reported as auditor to the member of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report was qualified arising from limitation in audit scope. The full text of this report was as follows:

'To the member of Shoreridge Limited

We have audited the financial statements of Shoreridge Limited for the year ended 31 March 2012 which comprise the balance sheet 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).

This report is made solely to the company's member 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 member 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 member, 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 director's responsibilities, the director is 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 Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Basis for qualified opinion on financial statements

Impairment of freehold properties

As set out in note 6, at 31 March 2012 freehold properties were revalued based on valuations completed in June 2013 and are reflected in the balance sheet at existing use value. As a consequence of the revaluation an impairment adjustment of £93,649 has been made in the profit and loss account for the year ended on that date. Insufficient audit evidence is available to us to determine how much, if any, of that impairment should have been recorded in previous years and consequently we were unable to obtain satisfactory and appropriate evidence that:

- the profit and loss accounts for years ended 31 March 2011 and 2012 do not contain material misstatements;
- the balance sheet at 31 March 2011 does not contain a material misstatement; and
- the appropriate accounting policies were consistently applied in years ended 31 March 2011 and 2012.

Going concern

In forming our opinion on the financial statements we have considered the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company requires the successful conclusion of certain initiatives and the continued support of its secured lender to provide it with adequate financial resources to continue in operational existence for the foreseeable future. Having considered the matter we have concluded that there is insufficient evidence to support the director's statement and had this information been available to us we might have formed a different opinion on the financial statements. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 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 director's report 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

In respect of the limitation of our work on the allocation of impairment of freehold property to the relevant accounting periods and on the company's ability to continue as a going concern, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of 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 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
- the director was not entitled to prepare the financial statements and the director's report in accordance with the small companies' regime.'

BDO LLP

Mark McCluskey (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom

27 November 2013

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

Shoreridge Limited

Balance sheet
at 31 March 2012

Company number SC220121	Note	2012 £	2012 £	2011 As restated £	2011 As restated £
Fixed assets					
Tangible assets	3		**560,687**		1,986,868
Current assets					
Debtors		**363,875**		378,000	
Creditors: amounts falling due within one year		**514,818**		715,711	
Net current liabilities			**(150,943)**		(337,711)
Total assets less current liabilities			**409,744**		1,649,157
Provisions for liabilities			**3,958**		-
			405,786		1,649,157
Capital and reserves					
Called up share capital	4		**104**		104
Revaluation reserve	5		**-**		1,313,917
Profit and loss account	5		**405,682**		335,136
Shareholder's funds			**405,786**		1,649,157

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The abbreviated accounts were approved by the director and authorised for issue on 27 November 2013.

A Poddar

Ms A Poddar
Director

The notes on pages 5 to 8 form part of these abbreviated accounts.

1 Accounting policies

The abbreviated accounts have been prepared under the historical cost convention, as modified by the revaluation of freehold property.

The company is reliant on support from its parent entity, Aditi Holdings Limited. The following note is therefore extracted from the parent company's financial statements:

The Director considers that the group is a going concern for the foreseeable future, however acknowledges that there are some uncertainties around this matter which professional advice has been taken on.

The group has made a significant loss for the year following impairment charges and has a net liability position on the group balance sheet of £2.85m. The current projections, for the period to 31 March 2015, indicate that the business continues to return a reasonable EBITDA at all business unit levels with the consolidated EBITDA sufficient to service the interest on the current debt. Capital repayments were being met by the Group up until July 2013 thereafter due to increased debt levels the consolidated EBITDA being generated is not suffice to repay the capital at normal banking repayment terms. The Group has therefore sought an agreement to have capital holidays with their secure lenders.

The Group meets its day to day working capital requirements through a temporary overdraft facility, with unsecured creditors currently being met within their deemed credit terms. This temporary facility is granted on an ongoing basis on the understanding that the company will continue trading in to the foreseeable future, whilst working with the bank to secure a workable solution pursuant to the interests of all stakeholders.

Negotiations between the Director and the group's lenders are ongoing to secure a solvent solution to the group's negative net worth position brought about due to the impairment of assets due to the most recent valuations being at a far reduced level than previously reported in the balance sheet. It is understood by the Director and the group's secure lender that a significant debt resizing exercise is required to bring the group balance sheet back into a solvent position. The secured lender has offered the group continued support, both non financial and financial. Although the situation may change, at no time in any of the discussions with the secured lender have they indicated that any of the facilities will be withdrawn in the foreseeable future so long as all parties work together to secure a long term solution. The Director is cautiously optimistic that on-going advanced negotiations will produce an acceptable outcome for all parties.

The following principal accounting policies have been applied:

Tangible fixed assets

Assets other than freehold property are measured at depreciated historical cost. Freehold property is carried in the balance sheet on the basis of existing use value. Properties are subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle.

Any upward valuation is first applied to eliminate any accumulated depreciation. Downward revaluations are recognised:
(i) in the statement of total recognised gains and losses until the carrying amount reaches its depreciated historic cost; and
(i) through the profit and loss account.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

1 Accounting policies *(continued)*

Depreciation

Depreciation is provided to write off the cost or valuation of all tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2 - 3% straight line
Plant and machinery	- 15% reducing balance
Fixtures and fittings	- 20% reducing balance

Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Prior year adjustment

The director considers that freehold property should be depreciated based on its estimated useful life from the date of acquisition or most recent valuation. The director considers the estimated useful life of freehold property to be 50 years. Accordingly, a prior year adjustment has been recorded, the impact of which is to reduce the retained profit brought forward at 1 April 2011 and increase the freehold property accumulated depreciation by £170,576. The impact on 2011 was a reduction in profit of £42,644.

A related adjustment has also been incorporated for amortisation of revaluation reserve, the impact of which is to increase retained profit and reduce revaluation reserve at 1 April 2011 by £114,252.

Comparative figures have been restated accordingly.

3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 April 2011	2,132,223	110,667	2,242,890
Revaluation	(1,592,223)	-	(1,592,223)
At 31 March 2012	**540,000**	**110,667**	**650,667**
Depreciation			
At 1 April 2011 as previously stated	-	85,446	85,446
Prior year adjustment (see note 2)	170,576	-	170,576
At 1 April 2011 as restated	170,576	85,446	256,022
Provided for the year	42,644	4,534	47,178
Revaluation	(213,220)	-	(213,220)
At 31 March 2012	**-**	**89,980**	**89,980**
Net book value			
At 31 March 2012	**540,000**	**20,687**	**560,687**
At 31 March 2011 as restated	1,961,647	25,221	1,986,868

The director obtained an independent valuation of the freehold property at market value on an existing use basis as at 19 June 2013 from Jones Lang LaSalle. Having taken cognisance of this valuation the director has written down the property to £540,000 at 31 March 2012, with the impairment of £1,379,003 being charged to the revaluation reserve to reduce it to £nil with the balance charged to the profit and loss account.

4 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
104 Ordinary shares of £1 each	**104**	104

5 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 April 2011 as previously stated	1,428,169	391,460
Prior year adjustment (see note 2)	(114,252)	(56,324)
At 1 April 2011 as restated	1,313,917	335,136
Profit for the year	-	41,983
Transfers	(28,563)	28,563
Deficit on valuation	(1,285,354)	-
At 31 March 2012	**-**	**405,682**

6 Contingent liabilities

The bank borrowings of the Aditi Holdings Limited group of companies are secured on freehold property owned by the company and this is supported by a floating charge, guarantee of £2,325,000 and an inter company guarantee. At the year end the secured liabilities totalled £4,912,660 (2011 - £5,251,389).

7 Related party disclosures

The company is a wholly owned subsidiary of Aditi Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Aditi Holdings Limited or other wholly owned subsidiaries within the group.

Controlling party

The company is controlled by Ms Arti Poddar by way of her controlling interest in the ultimate holding company, Aditi Holdings Limited.