

Financial Statements Silvergrad Limited

For the year ended 30 September 2012



Registered number: 1460104

Silvergrad Limited

Company Information

Directors	A J Langton M G L Curle I C Tickler (resigned 13 December 2011) J Hughes (appointed 13 December 2011)
Company secretary	J Hughes
Company number	1460104
Registered office	440 Kings Road London SW10 0LH
Auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham West Midlands B4 6AT

Contents

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

Directors' report

For the year ended 30 September 2012

The directors present their report and the financial statements for the year ended 30 September 2012

Principal activity

The principal activity of the company during the year was that of property holding and renting to other members of the Aylesford Holdings Limited group of companies

Directors

The directors who served during the year were

A J Langton

M G L Curle

I C Tickler (resigned 13 December 2011)

J Hughes (appointed 13 December 2011)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Dividends

The directors do not propose a dividend for the year (2011 £nil)

Directors' report

For the year ended 30 September 2012

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf



J Hughes
Secretary

Date 26 June 2013

Independent auditors' report to the members of Silvergrad Limited

We have audited the financial statements of Silvergrad Limited for the year ended 30 September 2012, which comprise the Profit and Loss Account, 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 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 Auditors' 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 Auditing Practices Board's (APB'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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 September 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Silvergrad Limited

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

Grant Thornton UK LLP

Martin Ramsey (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Birmingham
26 June 2013

Profit and loss account

For the year ended 30 September 2012

	Note	2012 £	2011 £
Turnover	1,2	77,000	77,000
Administrative expenses		<u>(2,379)</u>	<u>(1,944)</u>
Operating profit	3	74,621	75,056
Interest payable and similar charges	5	<u>(254)</u>	<u>(151)</u>
Profit on ordinary activities before taxation		74,367	74,905
Tax on profit on ordinary activities	6	<u>(28,708)</u>	<u>(16,034)</u>
Profit for the financial year		<u>45,659</u>	<u>58,871</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account


The notes on pages 7 to 12 form part of these financial statements

Balance sheet

As at 30 September 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	7		1,452,530		1,452,530
Current assets					
Debtors	8	220,262		150,949	
Creditors amounts falling due within one year	9	(40,010)		(16,356)	
Net current assets			<u>180,252</u>		<u>134,593</u>
Net assets			<u><u>1,632,782</u></u>		<u><u>1,587,123</u></u>
Capital and reserves					
Called up share capital	10		200		200
Revaluation reserve	11		1,386,251		1,386,251
Profit and loss account	11		246,331		200,672
Shareholder's funds	12		<u><u>1,632,782</u></u>		<u><u>1,587,123</u></u>

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


J Hughes
Director

Date 26 June 2013

The notes on pages 7 to 12 form part of these financial statements

Notes to the financial statements

For the year ended 30 September 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards

1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors are pleased to report that the company has sufficient liquid resources to meet its working capital requirements for the foreseeable future.

1.3 Turnover

Turnover represents amounts receivable for rent net of value added tax and is recognised over the life of the rental agreement.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	As noted below
Leasehold improvements	-	11% straight line
Plant & machinery	-	33.3% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	25% straight line

The freehold property is maintained as a matter of company policy by a program of repair and refurbishment such that the residual value is at least equal to the book value and the useful economic life of the asset is considered to be greater than 50 years. As a result the asset is not depreciated as any charge would be immaterial.

The freehold property is revalued once every five years with an interim valuation after three years, to an open market value, by an independent Chartered surveyor.

The freehold property is subject to an annual impairment review under Financial Reporting Standard 11. No impairment has been thought to have occurred in each of these financial periods.

Notes to the financial statements

For the year ended 30 September 2012

1. Accounting policies (continued)

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences, other than as detailed below, between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

2. Turnover

The total turnover of the company for the year has been derived from its principal activity

All turnover arose within the United Kingdom

Notes to the financial statements

For the year ended 30 September 2012

3. Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Auditors' remuneration	1,000	1,000

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2011 - £NIL)

5. Interest payable and similar charges

	2012	2011
	£	£
Other interest payable	254	151

6. Taxation

	2012	2011
	£	£
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	18,592	15,356
Adjustments in respect of prior periods	10,116	678
Tax on profit on ordinary activities	28,708	16,034

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 25% (2011 - 27%) The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	74,367	74,905
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 - 27%)	18,592	15,356
Effects of		
Adjustments to tax charge in respect of prior periods	10,116	678
Current tax charge for the year (see note above)	28,708	16,034

Notes to the financial statements

For the year ended 30 September 2012

6. Taxation (continued)

There is an unprovided deferred tax asset of £348,000 (2011 £348,000) in respect of the revaluation gain on the freehold land and holdings

7. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 October 2011 and 30 September 2012	1,452,530
Depreciation	
At 1 October 2011 and 30 September 2012	-
Net book value	
At 30 September 2012	1,452,530
At 30 September 2011	1,452,530

The freehold land and buildings were valued on an open market basis by Lewis Doyle, a firm of independent Chartered Surveyors on 5 December 2012. The freehold property is subject to an annual impairment review. No impairment has been thought to have occurred in each of these financial periods.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2012 £	2011 £
Cost	66,729	66,729
Accumulated depreciation	-	-
Net book value	66,729	66,729

8. Debtors

	2012 £	2011 £
Amounts owed by group undertakings	220,262	150,949

Notes to the financial statements

For the year ended 30 September 2012

9. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Corporation tax	20,222	15,356
Group relief payable	18,592	-
Other creditors	1,196	1,000
	<u>40,010</u>	<u>16,356</u>

10. Share capital

	2012	2011
	£	£
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
100 Deferred shares of £1 each	100	100
	<u>200</u>	<u>200</u>

The deferred shares carry no rights to attend or vote in any general meeting of the company and no rights to dividends or to participate in the profits or assets of the company

11. Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 October 2011	1,386,251	200,672
Profit for the year	-	45,659
	<u>1,386,251</u>	<u>246,331</u>
At 30 September 2012	<u>1,386,251</u>	<u>246,331</u>

12. Reconciliation of movement in shareholders' funds

	2012	2011
	£	£
Opening shareholders' funds	1,587,123	1,528,252
Profit for the year	45,659	58,871
	<u>1,632,782</u>	<u>1,587,123</u>
Closing shareholders' funds	<u>1,632,782</u>	<u>1,587,123</u>

Notes to the financial statements

For the year ended 30 September 2012

13. Related party transactions

As the company is a wholly owned subsidiary of Aylesford Holdings Limited, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company

14. Contingent liabilities

Aylesford & Co (Estate Agents) Limited, a sister company, had a bank overdraft facility at the year end. The overdraft facility is secured by freehold property and associated assets held by Silvergrad Limited. The company, Aylesford & Co (Estate Agents) Limited and Aylesford Holdings Limited have also provided an unlimited guarantee to the Royal Bank of Scotland in relation to this overdraft facility.

15. Ultimate parent undertaking and controlling party

The company is an immediate subsidiary undertaking of Aylesford Holdings Limited, a company registered in England and Wales. Aylesford Holdings Limited is the largest group of undertakings for which group accounts are prepared in the UK. The consolidated accounts are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff CF4 3UZ.

The ultimate holding company is Aylesford International Holdings SA, a company registered in the British Virgin Islands. The ultimate controlling party is A Langton by virtue of his interest in the ultimate holding company.