

South Cambs Limited

Annual Report and Financial Statements 2014-15

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Corporate Information

South Cambs Limited is a limited liability company domiciled in the United Kingdom.

Director

Stephen Hills

Secretary

Alex Colyer

Registered Address

South Cambridgeshire Hall
Cambourne Business Park
Cambourne
Cambridge
CB23 6EA

Auditors

Ernst & Young LLP
One Cambridge Business Park
Cowley Road
Cambridge
CB4 0DZ

Solicitors

Walker Morris LLP
Kings Court
12 King Street
Leeds
LS1 2HL

Bankers

HSBC Bank PLC
62 Hills Road
Cambridge
CB2 1LA

Strategic Report

The Director presents the Strategic Report for the period ended 31 March 2015.

Principal Activity

In 2015, the Company's first period of trading, significant and planned investments have been made in the acquisition of a core property portfolio. The principal activity during the period being the management of both purchased and leased properties for the purpose of residential lettings across the eastern region of the UK. A suitable spread of property type is maintained, overriding importance is attached to standard of construction and suitability for the residential rental market, with upwards only rent reviews. The portfolio is kept under constant review with the object of disposing of any property if growth prospects diminish or appropriate rental returns are not expected to be achievable.

Business Review

The Company was incorporated and began trading on 1 April 2014.

The loss for the period to 31 March 2015, after taxation, is £281,000.

The Director does not recommend the payment of any dividends.

The Company has adopted FRS 101 and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, South Cambridgeshire District Council ("South Cambs"), was notified of and did not object to the use of disclosure exemptions under FRS 101. The Company has used early adoption of FRS 101.

The company's key financial and other performance indicators during the period were as follows:

	2014-15 £'000
Turnover	187
Loss for period after taxation	281

The first period of trading returned an operating loss of £281,000 for the year, which was slightly higher than originally budgeted.

Key achievements include bringing 2 empty properties back into occupation through the lettings market, contributing to the portfolio of 28 leased and 19 acquired properties across Cambridgeshire.

Future developments include expanding the leased property holding in targeted areas and further acquisitions in line with planned growth.

Strategic Report

For the period ended 31 March 2015 (continued)

Principal Risks and Uncertainties

Contract Risk

Contract risk is the risk that the lack of understanding or effective management may lead to the erosion in value of a contract. The Company manages this risk by periodically reviewing contracts to ensure effective monitoring and adjustment of pricing, terms and conditions relevant to market conditions and contract and performance expectations.

Credit, Liquidity and Cash flow Risk

Credit risk is the risk that one party to a transaction will cause financial loss for the other party by failing to discharge an obligation. The main exposure to credit risk relates to housing rents; the Company reduces the risk of such losses by undertaking appropriate credit checks on potential tenants and lodging tenant deposits with a third party to mitigate the potential cost of damage to the property by the tenant.

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. All trade and other payables are due to be paid in less than one year. By their very nature, properties are less liquid and therefore the investments may not be readily realisable.

Cash flow risk is the risk of exposure to variability in cash flows. The Company includes a predetermined level of property voids within its cash flow expectations and minimises cash flow variations by lease management.

By order of the Board

*Stephen Hills
Director*

11 September 2015

Director's Report

Registered number 08336413

The Director presents the Report and Financial Statements for the period ended 31 March 2015.

Directors

A list of Directors is disclosed in the Corporate Information on page 2.

Dividends

The Director does not recommend payment of any dividend.

Future Developments

The Company will continue with its business plan for expansion in the property and lettings market. The Board is looking forward to increasing the level of revenue and achievement of profit in the following years.

Employee involvement

The director ensures that the employees are informed of any significant matters affecting them as employees. Employees are encouraged to discuss with management factors affecting the Company about which they have concerns.

Suggestions from employees aimed at improving the Company's performance are welcomed.

Employment of Disabled Persons

The Company recognises its social and statutory duty to employ disabled persons. It is the Company's policy to give full and fair consideration to applications for employment from disabled persons.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review on pages 3 and 4. The financial position of the Company [South Cambs Limited trading as Ermine Street Housing] is set out in these financial statements. As a consequence, the Director believes that the Company is well placed to manage its business risks successfully.

Refinancing arrangements have been agreed, on a secured equity basis, with South Cambridgeshire District Council for existing loans which are due to mature in February 2016.

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditors

The Director will recommend the reappointment of Ernst & Young LLP as auditors at the Annual General Meeting.

Director's Report

For the period ended 31 March 2015 (continued)

Director's Statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries and of the Company's auditors, the director confirms that:

- To the best of his knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- the director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Stephen Hills

Director

11 September 2015

Statement of Director's Responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and financial statements in accordance with applicable UK 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 FRS 101. 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 for the period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- prepare financial statements on a going concern basis, unless they consider that to be inappropriate.

The director is 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. 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.

Independent Auditors' Report to the Members of South Cambs Limited

We have audited the financial statements of South Cambs Limited for the period ended 31 March 2015 which comprise the Statement of Changes in Equity, the Statement of Comprehensive Income, the Balance Sheet and the related notes 1 to 17. 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 101 'Reduced Disclosure Framework'.

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 directors and auditor

As explained more fully in the Statement of Director's Responsibilities set out on page 7, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implication for our report.

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 31 March 2015 and of its loss for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's Report for the financial period 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.

*Ian Strachan (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge*

September 2015

South Cambs Ltd
Registered Company number: 08336413

Statement of Changes in Equity for the period ended 31 March 2015

	Equity Share Capital	Retained Earnings	Total Equity
	£s	£s	£s
Balance on incorporation	-	-	
Changes in equity during 2014-15			
Loss for the period	-	(280,639)	(280,639)
Total Comprehensive Income for the period		(280,639)	(280,639)
Shares issued	1	-	1
Increase/(decrease) in the period	1	(280,639)	(280,638)
Balance at 31 March 2015	1	(280,639)	(280,638)

South Cambs Ltd
Registered Company number: 08336413

Statement of Comprehensive Income for the period ended 31 March 2015

	Notes	31 March 2015 £'000
Turnover	3	187
Cost of Sales		(263)
Gross Loss		(76)
Administrative expenses		(137)
Other expenses		(38)
Operating Loss	4	(251)
Interest payable	7	(30)
Loss on ordinary activities before taxation		(281)
Tax on loss on ordinary activities	8	-
Loss for the period		(281)

South Cambs Ltd
Registered Company number: 08336413

Balance Sheet as at 31 March 2015

		Notes	£'000	£,000
Fixed assets		9		4,094
Current assets	Debtors:			
	Trade Debtors		-	
	Amounts owed by Group undertakings		-	
	Other Debtors		2	
	Cash and cash equivalents	10	14	
Total current assets				16
TOTAL ASSETS				4,110
Creditors	Payments received on account	11	(56)	
	Trade creditors	11	(78)	
	Amounts owed to Group undertakings	11	(4,257)	
	Current Taxation		-	
Total current liabilities				(4,391)
TOTAL LIABILITIES				(4,391)
NET ASSETS				(281)
Capital and Reserves				
	Called up share capital	14		-
	Profit and loss account			(281)
SHAREHOLDERS FUNDS				(281)

These statements were approved and authorised for issue by the board and signed on its behalf on 7 September 2015

Stephen Hills
Director
7 September 2015

Notes to the Financial Statements:

1. Authorisation of Financial Statements and Statement of Compliance with FRS 101

The financial statements of South Cambs Limited for the period ended 31 March 2015 were authorised for issue by the Board of Directors on 7 September 2015 and the Balance Sheet was signed on the Board's behalf by Mr Stephen Hills, Director. South Cambs Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

Paragraph 8(g): The Company is exempt from the requirements of the following paragraphs of IAS 1 Presentation of Financial Statements:

- Paragraph 10(d) and (f): The Company is exempt from preparing a Statement of Cash Flows.
- Paragraph 16: The Company shall not present a statement of compliance with IFRS.
- Paragraph 38(a), (b), (c) and (d): The Company is exempt from providing prior year information for all balances in the financial statements.
- Paragraph 40(a), (b), (c) and (d): The Company is exempt from restating prior year disclosure notes where they relate to the current period.
- Paragraph 111: The Company is exempt from the presentation requirements relating to the Statement of Cash Flows.
- Paragraphs 134, 135 and 136: The Company is exempt from disclosing information regarding its objectives, policies and processes for the management of capital.

Paragraph 8(h): The Company is exempt from the requirements of IAS 7 Statement of Cash Flows. The Company is not required to present a *Statement of Cash Flows* along with related notes.

Paragraph 8(j): The Company is exempt from the requirements of paragraph 17 of IAS 24 *Related Party Transactions*. The Company is not required to provide information about transactions with related parties, other than between two or more members of the group.

Information not here disclosed under exemption can be found in the Group Accounts of South Cambridgeshire District Council, being the parent entity of the Company.

The Company's financial statements are presented in sterling and all values are rounded to the nearest pound or thousand (£ or £,000) except when otherwise indicated.

The results of the Company are included in the consolidated financial statements of South Cambridgeshire District Council which are publicly available through the Council's website at <https://www.scambs.gov.uk/content/statement-accounts-and-annual-governance-statement>

2. Accounting Policies

2.1 Basis of preparation

The Statement of Accounts summarises the Company's transactions for the 2014-15 financial period and its position at the period end of 31 March 2015.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 March 2015.

2.2 Going Concern

A Company's financial statements should be prepared on a going concern basis, that is, the financial statements should be prepared on the assumption that the Company will continue in operational existence for the foreseeable future. This means in particular that the Statement of Comprehensive Income and Balance Sheet assume no intention to curtail significantly the scale of the operation.

The Director of the Company and South Cambridgeshire District Council, being the parent entity, believe that the Company is well placed to manage its business risks successfully.

Refinancing arrangements have been agreed, on a secured equity basis, with South Cambridgeshire District Council for existing loans which are due to mature in February 2016.

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the director continues to adopt the going concern basis in preparing the annual report and accounts.

2.3 Turnover and expenditure

Turnover represents amounts received and receivable, excluding value added tax, in respect of goods and services provided during the period. Turnover, all of which arises in the United Kingdom, is attributable to one activity, the marketing and rental of residential properties. Expenditure represents amounts paid and payable in respect of goods and services received during the period

2.4 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 7 days or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.5 Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within twelve months of the year-end. They include salaries and wages, paid annual leave and paid sick leave, bonuses and non-monetary benefits, such as flexi-time, for current employees and are recognised as an expense for services in the year in which employees render services to the Company. Other long term benefits are those benefits not falling wholly before twelve months after the end of the annual reporting period and are accounted for in the same manner as defined benefit post-employment benefits.

Compensated absences are periods during which an employee does not provide services to the employer, but benefits continue to be paid. Compensated absences may be accumulating or non-accumulating. Accumulating absences are those that are carried forward and can be used in future periods if the current entitlement is not used in full. Annual leave, flexi-time and time in lieu are usually accumulating absences. Accumulating absences may be either vesting or non-vesting. Where vesting, employees who leave are entitled to a cash payment in respect of any unused entitlement. Where non-vesting, benefits lapse if an employee leaves before the vesting date.

An accrual is made for the cost of holiday entitlements and/or other forms of leave earned by employees but not taken before the period-end which employees can carry forward into the next financial period. The accrual is charged to the cost of services in the Statement of Comprehensive Income.

Non-accumulating absences are those that cannot be carried forward for use in future periods if the current entitlement is not used in full. Sick leave, maternity leave, paternity leave and jury service will usually be non-accumulating. The cost of non-accumulating compensated absences is recognised when the absences occur. The cost of providing non-monetary benefits is recognised according to the same principles as benefit payable in cash. The amount recognised as a liability and an expense is the cost to the employer of providing the benefit.

Long term benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Company to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and, are charged on an accruals basis to the relevant service account or, where applicable, to Non Distributed Costs in the Statement of Comprehensive Income at the earlier of when the Company can no longer withdraw the offer of those benefits, or when the Company recognises the costs for a restructuring and involves the payment of termination benefits.

Termination benefits are often lump-sum payments, but also include

- i) enhancement of retirement benefits, and
- ii) salary until the end of a specified notice period if the employee renders no further service that provides economic benefit to the Company

Where termination benefits involve the enhancement of pensions the amount is calculated according to the relevant accounting standards.

Post-Employment Benefits

Post-employment benefits are employee benefits (other than termination and short-term benefits) that are payable after the completion of employment.

2.6 Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events.

- Those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the financial statements.

2.7 Foreign Currency Translation

The Company's functional currency and presentation currency is pounds sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2.8 Debtors

Trade debtors, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount.

2.9 Income Tax

Current tax liabilities are measured at the amount expected to be paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

2.10 Investments

Investments on the Balance Sheet are deposits held in overnight call accounts. These are accounted for at cost. Interest earned is shown in the Statement of Comprehensive Income under interest receivable.

2.11 Leases and Tenancies at will

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

2.12 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2.13 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the company (e.g. software and licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the company.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the company can be determined by reference to an active market. In practice, no intangible asset held by the company meets this criterion and intangible assets are, therefore, carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service in the Statement of Comprehensive Income. An asset is tested for impairment whenever there is an indication that the asset might be impaired and any impairment losses recognised are charged to the other operating expenditure section in the Statement of Comprehensive Income. Any gain or loss arising on the disposal or abandonment of an intangible asset is charged to the Statement of Comprehensive Income.

2.14 Investment Property

An investment property is one that is used solely to earn rentals or for capital appreciation or both. Property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of an investment property and is accounted for as property, plant and equipment.

An investment property is measured initially at cost. After initial recognition, an investment property is measured at fair value. A gain or loss arising from a change in the fair value of investment property is recognised in the Statement of Comprehensive Income for the period in which it arises. The fair value of investment property reflects market conditions at the balance sheet date. This means that a periodic revaluation approach may only be used where the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date. An investment property held at fair value is not depreciated.

2.15 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Expenditure that maintains but does not add to the asset's potential to deliver future economic benefits or service potential, i.e. repairs and maintenance, is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company.

Assets are then carried in the balance sheet using the following measurement bases:

- infrastructure, community assets and assets under construction depreciated historical cost;

- dwellings
fair value;
- investment property and assets held for sale
market value
- non-property assets that have short useful lives and/or low values
depreciated historical cost basis is used as a proxy for fair value; and
- all other assets
fair value, determined as the amount that would be paid for the asset in its existing use

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly (at least every five years) to ensure that their carrying amount is not materially different from their fair value at the year-end. Valuations are undertaken by a professionally qualified valuer and also carry out a material change review at year end to ensure revaluations are kept up to date. Revaluations also take place when there has been a significant change to the asset (e.g. major building works).

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Statement of Comprehensive Income where they arise from the reversal of a loss previously charged to a service.

Decreases in valuations are accounted for by writing down the balance (if any) of revaluation gains in the revaluation reserve for that asset and then charging any remaining decrease in value to the relevant service in the Statement of Comprehensive Income.

Impairment

Assets are assessed at the end of each year as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Impairment losses are accounted for by writing down the balance (if any) of revaluation gains in the revaluation reserve for that asset and then charging any remaining impairment to the relevant service in the Statement of Comprehensive Income.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service in the Statement of Comprehensive Income, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided on all property, plant and equipment calculated on a straight-line allocation over their useful lives. An exception is made for assets without a determinable finite useful life, i.e. freehold land and certain community assets, if any, and assets that are not yet available for use, i.e. assets under construction, if any.

The residual value of an item of property, plant and equipment and its useful life are reviewed at the end of each financial year and, if expectations differ from previous reviews or there has been a significant change in the consumption of economic benefits or service potential, the change is accounted for as a change in accounting estimate.

Where property, plant and equipment assets have major components whose cost is significant in relation to the total cost of the asset, depreciation on the components has been calculated and is not materially different from depreciation on the depreciable part of the whole asset. Components have not, therefore, been depreciated separately.

Revaluation gains are also depreciated by an amount equal to the difference between the current value depreciation charges on the assets and the historic cost depreciation charges on the assets, with this difference being transferred each year from the revaluation reserve to the capital adjustment account.

Componentisation

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Where there is more than one significant part of the same asset which has the same useful life and depreciation method, such parts are grouped together in determining the depreciation charge.

The Company has determined that dwellings and other property is subject to componentisation and are assessed against 2 components determined by the Company's valuer, namely land and buildings, components within buildings being assessed annually for materiality.

Disposals and non-current assets held for sale

An asset is reclassified as an asset held for sale when it becomes probable that the carrying amount of the asset will be recovered principally through a sale transaction. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Any subsequent decrease to fair value less costs to sell is posted to the other operating expenditure section in the Statement of Comprehensive Income but any gains in fair value are only recognised up to the amount of any previously recognised losses. Depreciation is not charged on assets held for sale.

Assets no longer meeting the criteria to be classified as assets held for sale are reclassified back to non-current assets and valued at the lower of

their carrying amount before they were classified as held for sale adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale; and

their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of, the carrying amount of the asset in the balance sheet is written off and any receipts on disposal are credited to the other operating expenditure section in the Statement of Comprehensive Income so that this section shows the net gain or loss on the disposal of non-current assets.

Any revaluation gains in the revaluation reserve in respect of the asset are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

2.16 Significant Judgements

In applying the accounting policies set out in this note, the Company has to make certain judgements about complex transactions or those involving future events. There were no critical judgements to be disclosed in these financial statements.

3. Turnover

Turnover recognised in the Statement of Comprehensive Income is analysed as follows:

	2014-15 £'000
Rental income	187
Other receipts	-
	187
Income received from Group undertakings	-
Total	187

4. Operating loss

This is stated after any charges for depreciation. Depreciation was not charged on acquired assets purchased in the first year of trading.

5. Auditors' remuneration

The Company was charged the following amounts by its external auditors.

	2014-15 £'000
Audit of the Financial Statements	15
Taxation services	-

6. Staff costs and Directors' remuneration

During the period the Company had no employees, all staff costs have been incurred by South Cambridgeshire District Council and recharged to the Company. The total recharge for contracted services was £137,181.

The remuneration relating to the Director and Company Secretary is borne by the parent undertaking, £10,490 has been included in the recharge from South Cambridgeshire District Council relating to the services of the Director.

7. Interest payable

	2014-15 £'000
Bank charges	1
Loan interest	29
Total	30

8. Taxation

	2014-15 £'000
Current tax	
Loss before taxation	(281)
Current tax calculated at tax rate of 20%	56
Losses carried forward	(56)
Tax payable	-

Factors that may affect future tax charges

The standard rate of UK Corporation Tax reduced from 21% to 20% on 1 April 2015. The Finance act 2015, which received Royal Assent on 26 March 2015, states that this rate will not change for financial year 2016.

In his budget of 8 July 2015, the Chancellor of the Exchequer announced tax rate changes, which, if enacted in the proposed manner, will have an effect on the company's future tax position. These additional changes will reduce the standard rate of UK corporation tax from 20% to 19% from 1 April 2017, and 18% from 1 April 2020. These proposed changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements. The effect of these announced reductions is not likely to be material.

The above changes to the rate of corporation tax will impact the amount of future cash payments to be made by the company.

9. Fixed Assets

	Land and Buildings £'000	Total £,000
Cost		
On incorporation	-	-
Additions	4,094	4,094
Disposals	-	-
As at 31 March 2015	4,094	4,094
Accumulated Depreciation		
On incorporation	-	-
Charge for the period	-	-
Disposals	-	-
As at 31 March 2015	-	-
Net Book Value		
At 31 March 2015	4,094	4,094

10. Cash and Cash Equivalents

Cash and cash equivalents consists of cash at bank and in hand of £14,120.

11. Creditors

Trade creditors are unsecured, non-interest bearing and are normally settled on 30 day terms. Payments received on account are also non-interest bearing.

Amounts owing to group undertakings relates to interest bearing loans of £4,072k owed by the Company to South Cambridgeshire District Council. The loan is repayable in February 2016, being £3,632k with a fixed rate of interest at 3.20%, and £440k with a fixed rate of interest at 5%, repayment terms are without security. The balance owing to South Cambridgeshire District Council relates to recharges for contracted services.

	31 March 2015 £'000
Trade creditors	78
Corporation tax	-
Payments received on account	56
Amounts owing to group undertakings	4,257
	4,391

12. Leases

At 31 March 2015 the Company was committed to making the following payments during the next year in respect of operating leases.

	Land and Buildings £'000
Operating leases which expire:	
Within 5 years	126
Total	126

13. Short term employee benefits – Accumulated Absences

An accrual for accumulated absences is made where there is a cost of holiday entitlement and flex leave earned by employees, but which has not been taken before the year-end, and which employees can carry forward into the next financial year. For the period ended 31 March there is no liability.

14. Authorised and Issued Share capital

	2014-15
Authorised and Issued Share Capital	£
Ordinary Shares of £1 each:	
Allotted, called up and paid for	1
Total	1

15. Related Party Transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. There were no transactions with Directors to disclose other than those disclosed under note 6. Transactions entered into, and trading balances outstanding at 31 March 2015 with related parties are as follows:

	Sales £'000	Purchases £'000	Amounts owed to related parties £'000
Parent entity	-	1,151	1,151
Total	-	1,151	1,151

Terms and conditions of transactions with related parties:

Sales and purchases are made on an arm's length basis. Balances with entities that are not subsidiaries are non-interest bearing, are unsecured, and are expected to be settled within 30 days of invoice date. Terms and conditions for transactions with related parties have the same conditions. During the period ended 31 March 2015, the Company has made no provision for doubtful debts relating to amounts owed by related parties. Amounts owed to related parties include payments received in advance. Related party agreements regarding operating leases are disclosed in note 12. Remuneration relating to the directors of the Company have been disclosed in note 6.

16. Ultimate Group Undertaking

The Company's immediate and ultimate parent undertaking is South Cambridgeshire District Council. The Company is included within these group accounts which are publicly available at: <https://www.scambs.gov.uk/content/statement-accounts-and-annual-governance-statement>