

Company Registration No. 00649852 (England and Wales)

COLSAN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013



COLSAN LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | D A Pearlman A Eisen |
| Secretary | A Eisen |
| Company number | 00649852 |
| Registered office | Quadrant House - Floor 6 4 Thomas More Square London E1W 1YW |
| Auditors | UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW |
| Bankers | National Westminster Bank Plc 20 Amhurst Road London E8 1QZ |

COLSAN LIMITED

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COLSAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and financial statements for the year ended 30 September 2013.

Principal activities and review of the business

The principal activity of the company continued to be that of property investment.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 October 2012:

D A Pearlman
A Eisen

Auditors

The auditors, UHY Hacker Young, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent;
- 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.

COLSAN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

.....
D A Pearlman
Director
.....

26 June 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLSAN LIMITED

We have audited the financial statements of Colsan Limited for the year ended 30 September 2013 set out on pages 5 to 15. 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 set out on pages 1 - 2, 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 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 APB's web-site 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 2013 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.

Emphasis of matter

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the financial support of the shareholder companies, their investors and fellow subsidiaries and the continuation and renewal of available banking facilities in the current economic climate. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

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 (CONTINUED)
TO THE MEMBERS OF COLSAN 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.



Colin Jones (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

26th June 2014

Chartered Accountants
Statutory Auditor

COLSAN LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 SEPTEMBER 2013**

| | Notes | 2013 £ | 2012 £ |
|--|-----------|-----------|-----------|
| Turnover | 2 | 395,107 | 413,557 |
| Property expenses | | (100,949) | (43,662) |
| Gross profit | | 294,158 | 369,895 |
| Administrative expenses | | (66,524) | (107,421) |
| Operating profit | 3 | 227,634 | 262,474 |
| Investment income | 4 | - | 421 |
| Other interest receivable and similar income | 4 | 163 | 720 |
| Interest payable and similar charges | 5 | (29,319) | (7) |
| Profit on ordinary activities before taxation | | 198,478 | 263,608 |
| Tax on profit on ordinary activities | 6 | (41,235) | (47,963) |
| Profit for the year | 12 | 157,243 | 215,645 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

COLSAN LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

| | Notes | 2013 £ | 2012 £ |
|---|--------------|-------------------|-------------------|
| Profit for the financial year | | 157,243 | 215,645 |
| Unrealised deficit on revaluation of properties | | (147,600) | - |
| Total recognised gains and losses relating to the year | | <u>9,643</u> | <u>215,645</u> |

COLSAN LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2013

| | Notes | 2013 £ | 2012 £ |
|---|-------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 7,129,000 | 7,129,000 |
| Investments | 8 | 2 | 2 |
| | | <u>7,129,002</u> | <u>7,129,002</u> |
| Current assets | | | |
| Debtors | 9 | 361,704 | 636,361 |
| Cash at bank and in hand | | 21,887 | 15,965 |
| | | <u>383,591</u> | <u>652,326</u> |
| Creditors: amounts falling due within one year | 10 | <u>(3,720,620)</u> | <u>(3,998,998)</u> |
| Net current liabilities | | <u>(3,337,029)</u> | <u>(3,346,672)</u> |
| Total assets less current liabilities | | <u><u>3,791,973</u></u> | <u><u>3,782,330</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 100 | 100 |
| Revaluation reserve | 12 | 2,304,784 | 2,452,384 |
| Other reserves | 12 | 13,283 | 13,283 |
| Profit and loss account | 12 | 1,473,806 | 1,316,563 |
| Shareholders' funds | 13 | <u><u>3,791,973</u></u> | <u><u>3,782,330</u></u> |

Approved by the Board and authorised for issue on 26 June 2014

.....
D A Pearlman
Director

.....
A Eisen
Director

Company Registration No. 00649852

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Going concern

The company is dependent upon its shareholder companies, their investors and fellow subsidiaries for continuing financial support.

The company is financed partly by equity and partly by way of facilities provided by its shareholder companies, and ultimately banking facilities provided to those companies. These facilities fall due for renewal periodically. Currently, there is no indication that a renewal of the existing facilities should not be achieved by working closely with the bankers. The directors have no reason to believe that this support will not continue in the foreseeable future.

The directors are satisfied that the company has adequate resources to continue its operations for the foreseeable future, and, therefore, continue to adopt the going concern basis in preparing the financial statements.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

(Continued)

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

| | 2013 | 2012 |
|--|--------|---------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Auditors' remuneration | 3,500 | 2,500 |
| Charitable donations | 60,000 | 100,000 |

4 Investment income

| | 2013 | 2012 |
|--|------|-------|
| | £ | £ |
| Income from shares in group undertakings | - | 421 |
| Other interest | 163 | 720 |
| | 163 | 1,141 |

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

| | | | |
|----------|--|----------------|-----------------|
| 5 | Interest payable | 2013 | 2012 |
| | | £ | £ |
| | On bank loans and overdrafts | 1 | 7 |
| | On overdue tax | 29,318 | - |
| | | <u>29,319</u> | <u>7</u> |
| | | | |
| 6 | Taxation | 2013 | 2012 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U.K. corporation tax | 46,250 | 53,000 |
| | Adjustment for prior years | (5,015) | (5,037) |
| | | <u>41,235</u> | <u>47,963</u> |
| | Total current tax | | |
| | | <u>41,235</u> | <u>47,963</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | 198,478 | 263,608 |
| | | <u>198,478</u> | <u>263,608</u> |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.50% (2012 - 25.00%) | 46,642 | 65,902 |
| | | <u>46,642</u> | <u>65,902</u> |
| | Effects of: | | |
| | Non deductible expenses | 7,698 | 362 |
| | Adjustments to previous periods | (5,015) | (5,037) |
| | Dividends and distributions received | - | (105) |
| | Other tax adjustments | (8,090) | (13,159) |
| | | <u>(5,407)</u> | <u>(17,939)</u> |
| | Current tax charge for the year | <u>41,235</u> | <u>47,963</u> |

COLSAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 30 SEPTEMBER 2013

7 Tangible fixed assets

| | Investment properties £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 October 2012 | 7,129,000 |
| Additions | 147,600 |
| Revaluation | <u>(147,600)</u> |
| At 30 September 2013 | <u>7,129,000</u> |

The investment properties were valued on an open market basis by the directors as at 30 September 2013.

A legal charge is held over the investment properties as part of the borrowings held by Searchgrade and Portmount Properties Joint Venture.

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2013

8 Fixed asset investments

| | Shares in subsidiary undertakings £ |
|--|--|
| Cost or valuation | |
| At 1 October 2012 & at 30 September 2013 | 2 |
| Net book value | |
| At 30 September 2013 | 2 |
| At 30 September 2012 | 2 |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

| Company | Country of registration or incorporation | Class | Shares held % |
|--------------------------------|---|----------|------------------|
| Subsidiary undertakings | | | |
| Streetold | England and Wales | Ordinary | 100.00 |

The aggregate amount of capital and reserves and the results of the undertaking for the last relevant financial year was as follows:

| | | Capital and reserves 2013 £ | Profit/(loss) for the year 2013 £ |
|-----------|---------------------------|--------------------------------------|--|
| | Principal activity | | |
| Streetold | Non-trading | 2 | - |

| 9 Debtors | 2013 £ | 2012 £ |
|---|-----------|-----------|
| Amounts owed by subsidiary undertakings | - | 2 |
| Amounts owed by related parties | 324,339 | 615,477 |
| Other debtors | - | 477 |
| Prepayments and accrued income | 37,365 | 20,405 |
| | 361,704 | 636,361 |

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

| 10 Creditors: amounts falling due within one year | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Trade creditors | 1,331 | 1,347 |
| Amount owed to subsidiary undertaking | 2 | - |
| Amounts owed to related parties | 2,714 | - |
| Corporation tax | 46,250 | 53,000 |
| Other creditors | 3,427,393 | 3,888,008 |
| Accruals and deferred income | 242,930 | 56,643 |
| | <u>3,720,620</u> | <u>3,998,998</u> |

| 11 Share capital | 2013 | 2012 |
|---|-------------|-------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

| 12 Statement of movements on reserves | Revaluation reserve | Other reserves (see below) | Profit and loss account |
|---|--------------------------------|---|--|
| | £ | £ | £ |
| Balance at 1 October 2012 | 2,452,384 | 13,283 | 1,316,563 |
| Profit for the year | - | - | 157,243 |
| Revaluation during the year | (147,600) | - | - |
| Balance at 30 September 2013 | <u>2,304,784</u> | <u>13,283</u> | <u>1,473,806</u> |
| Other reserves | | | |
| Reserves provided for by the Articles of Association | | | |
| Balance at 1 October 2012 & at 30 September 2013 | | <u>13,283</u> | |

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

| 13 Reconciliation of movements in shareholders' funds | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Profit for the financial year | 157,243 | 215,645 |
| Other recognised gains and losses | (147,600) | - |
| | <hr/> | <hr/> |
| Net addition to shareholders' funds | 9,643 | 215,645 |
| Opening shareholders' funds | 3,782,330 | 3,566,685 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | <u>3,791,973</u> | <u>3,782,330</u> |

14 Contingent liabilities

There is a potential deferred tax liability of £447,120 (2012: £498,450) arising from surplus on the revaluation of the investment properties.

15 Employees

Number of employees

There were no employees during the year apart from the directors.

16 Control

No individual or entity exercises ultimate control over the company. Searchgrade Limited and Portmount Property Limited each hold fifty issued ordinary shares in the company.

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2013

17 Related party relationships and transactions

Included within 'Amounts owed by related parties' are amounts of £Nil (2012: £274,726) due from Clearvalley Properties, a joint venture in which Searchgrade Limited and Portmount Property Limited have an equal interest and £305,030 (2012: £323,024) due from Miltenform Properties, a joint venture in which Structadene Limited and Peaceline Limited have an equal interest. The increase in both these loans is as a result of the company providing funding to these joint ventures. The loans are non-interest bearing and are receivable on demand.

Also included within 'Amounts owed by related parties' is an amount of £19,309 (2012: £18,205) due from Pearl & Coutts Limited. The loan is non-interest bearing and is receivable on demand. D A Pearlman is a director of this company.

Included within creditors due within one year is an amount of £2,104,021 (2012: £2,622,747) due to Searchgrade & Portmount Property, a joint venture in which Searchgrade Limited and Portmount Property Limited have an equal interest. The decrease in the loan is as a result of repayments made on the amount outstanding. The loan is non-interest bearing and is payable on demand.

Also included within creditors due within one year is an amount of £640,047 (2012: £609,351) due to Structadene Limited, £638,148 (2012: £608,148) due to Portmount Property Limited and £nil (2012: £477) due to Demifix Limited. The loans are non-interest bearing and are payable on demand.

Included in amounts due to related parties is £2,714 (2012: £nil) due to City & West Cleaning Limited in which D A Pearlman has an interest. During the year, the company was charged £13,942 for cleaning and repair services.

D A Pearlman is a director and has overall control of Searchgrade Limited, Structadene Limited and Demifix Limited, whilst A Eisen is a director and has overall control of Portmount Property Limited and Peaceline Limited.