

Company Registration No. 00649852 (England and Wales)

COLSAN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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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
Auditor	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 2017

The directors present their annual report and financial statements for the year ended 30 September 2017.

Principal activities

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D A Pearlman
A Eisen

Auditor

The auditor, UHY Hacker Young, is 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;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

COLSAN LIMITED

DIRECTORS' REPORT (CONTINUED)

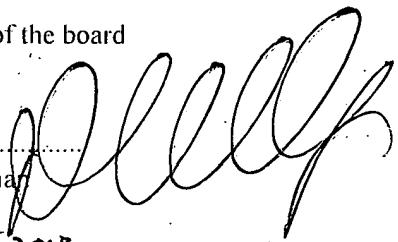
FOR THE YEAR ENDED 30 SEPTEMBER 2017

On behalf of the board

.....
D A Pearlman

Director

25 JUNE 2018

A large, stylized handwritten signature in black ink, appearing to read 'D A Pearlman', is written over the printed name and date.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLSAN LIMITED

Opinion

We have audited the financial statements of Colsan Limited (the 'company') for the year ended 30 September 2017 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF COLSAN LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF COLSAN LIMITED

Responsibilities of directors

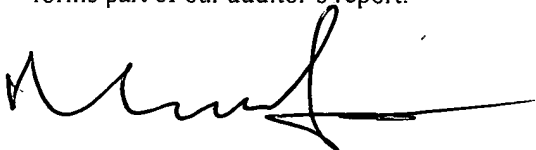
As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



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

25 JUNE 2018

Chartered Accountants
Statutory Auditor

COLSAN LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 SEPTEMBER 2017**

		2017	2016
	Notes	£	£
Turnover		480,019	464,570
Property expenses		(75,416)	(68,841)
		<hr/>	<hr/>
Gross profit		404,603	395,729
Administrative expenses		(86,167)	(90,499)
		<hr/>	<hr/>
Operating profit		318,436	305,230
Interest receivable and similar income		178	122
Amounts written off investments	4	-	(2)
Fair value gains and losses on investment properties	6	(35,440)	-
		<hr/>	<hr/>
Profit before taxation		283,174	305,350
Tax on profit	5	(13,907)	115,277
		<hr/>	<hr/>
Profit for the financial year		<u>269,267</u>	<u>420,627</u>

COLSAN LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Investment properties	6	11,620,000	11,645,000
Current assets			
Debtors	7	485,403	474,832
Cash at bank and in hand		53,861	48,062
		<u>539,264</u>	<u>522,894</u>
Creditors: amounts falling due within one year	8	<u>(2,937,007)</u>	<u>(3,169,933)</u>
Net current liabilities		(2,397,743)	(2,647,039)
Total assets less current liabilities		<u>9,222,257</u>	<u>8,997,961</u>
Provisions for liabilities	9	(798,281)	(843,251)
Net assets		<u><u>8,423,976</u></u>	<u><u>8,154,710</u></u>
Capital and reserves			
Called up share capital	11	100	100
Other equity reserve		5,979,263	5,969,733
Other reserves		13,283	13,283
Profit and loss reserves		2,431,330	2,171,594
Total equity		<u><u>8,423,976</u></u>	<u><u>8,154,710</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 25.10.2017 and are signed on its behalf by:


D A Pearlman
Director


A Eisen
Director

Company Registration No. 00649852

COLSAN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital £	Other equity reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 October 2015		100	5,798,104	13,283	1,922,596	7,734,083
Year ended 30 September 2016:						
Profit and total comprehensive income for the year		-	-	-	420,627	420,627
Transfers		-	171,629	-	(171,629)	-
Balance at 30 September 2016		100	5,969,733	13,283	2,171,594	8,154,710
Year ended 30 September 2017:						
Profit and total comprehensive income for the year		-	-	-	269,267	269,267
Transfers		-	9,530	-	(9,530)	-
Balance at 30 September 2017		100	5,979,263	13,283	2,431,330	8,423,976

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Colsan Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quadrant House - Floor 6, 4 Thomas More Square, London, E1W 1YW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is dependent upon its shareholder companies and their investors 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. 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.

1.3 Turnover

Turnover represents rents, insurance receivable and service charges receivable, net of VAT.

Revenue is recognised at the point where the benefit of the service provided is transferred to the customer.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Investment properties

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical experience, and rent levels and cash flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can be only reliably tested ultimately in the market itself. Given the property market knowledge and expertise of the directors, no third party valuation has been considered necessary unless required by the lenders.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2016 - 0).

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

4 Amounts written off investments

	2017	2016
	£	£
Other gains and losses	-	(2)
	<u> </u>	<u> </u>

5 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	62,125	62,000
Adjustments in respect of prior periods	(3,248)	(5,648)
	<u> </u>	<u> </u>
Total current tax	58,877	56,352
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(44,970)	(171,629)
	<u> </u>	<u> </u>
Total tax charge/(credit)	13,907	(115,277)
	<u> </u>	<u> </u>

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	283,174	305,350
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	55,219	61,070
Tax effect of expenses that are not deductible in determining taxable profit	6,911	842
Adjustments in respect of prior years	(3,248)	(5,648)
Indexation allowances	(51,584)	(22,820)
Deferred tax rate adjustment	6,614	(148,809)
Other tax adjustment	(5)	88
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	13,907	(115,277)
	<u> </u>	<u> </u>

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

6 Investment property

	2017
	£
Fair value	
At 1 October 2016	11,645,000
Additions	10,440
Revaluations	(35,440)
	<u>11,620,000</u>
At 30 September 2017	<u>11,620,000</u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out as at 30 September 2017 by the Directors who are considered to have sufficient industry experience. The Directors are also employees of the company's parent Structadene Limited and are hence connected to the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

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

7 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Amounts due from related parties	445,822	447,066
Other debtors	3,198	3,557
Prepayments and accrued income	36,383	24,209
	<u>485,403</u>	<u>474,832</u>

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,554	2,155
Corporation tax	58,966	62,000
Amounts due to related parties	2,731,469	2,962,850
Other creditors	145,018	142,928
	<u>2,937,007</u>	<u>3,169,933</u>

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Provisions for liabilities

		2017	2016
		£	£
Deferred tax liabilities	10	798,281	843,251
		<u>798,281</u>	<u>843,251</u>

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
Revaluations	798,281	843,251
	<u>798,281</u>	<u>843,251</u>
Movements in the year:		2017
		£
Liability at 1 October 2016		843,251
Credit to profit or loss		(44,970)
		<u>798,281</u>
Liability at 30 September 2017		<u>798,281</u>

11 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Related party transactions

The following amounts were outstanding at the reporting end date:

Included within 'Amounts owed by related parties' is an amount of £413,030 (2016: £413,030) due from Miltenform Properties, a joint venture in which Structadene Limited and Peaceline Limited have an equal interest. This is non-interest bearing and is receivable on demand.

Also included within 'Amounts owed by related parties' is an amount of £32,792 (2016: £34,036) due from Pearl and Coutts Limited. The decrease in loan is as a result of repayments received on the amounts outstanding. This is non-interest bearing and is receivable on demand. D A Pearlman is a director of this company.

Included within 'Amounts owed to related parties' is an amount of £1,394,460 (2016: £1,626,460) due to Searchgrade & Portmount Property, a joint venture in which Searchgrade Limited and Portmount Property Limited have equal interest. The decrease in the loan is as a result of repayments made on the amounts outstanding. This is non-interest bearing and is payable on demand.

Also included within 'Amounts owed to related parties' is an amount of £668,861 (2016: £668,172) due to Structadene Limited, £668,148 (2016: £668,148) due to Portmount Property Limited and £nil (2016: £70) due to Demifix Limited. These are non-interest bearing and are payable on demand.

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.

COLSAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

13 Equity

Called-up share capital

Represents the nominal value of shares that have been issued.

Other equity reserve

Represents fair value movements in investment property net of deferred tax, recognised in the current and previous reporting period.

Other reserves

Represents reserves provided for by the Articles of Association.

Profit and loss account

Includes all current and prior period retained profits and losses.

14 Parent company

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.