CTP Limited

Directors' report and financial statements
Registered number 2178560
For the year ended
31 December 2011

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company is commercial property development and project management

Business review

The current economic climate remains difficult

The company's principal customer base is the institutional investment market and the company is at risk of fluctuations in yield and interest rates The Board constantly monitors market movements and manages exposure through its development and funding agreements

The commercial property sector is still experiencing significant turmoil and there is a lack of liquidity for development Despite this, the directors have managed to secure continued lines of credit for the company The directors also continue to make further and significant reductions in operating costs to suit the future needs of the business

The directors are actively seeking new opportunities on the company's own account and in partnerships where appropriate

Results and proposed dividend

The profit for the financial year was £38,000 *(31 December 2010 profit of £719,000)*

The directors do not recommend a dividend *(31 December 2010 £nil)*

Directors

The directors who held office during the year were as follows

G Illingworth
DJ Topham
JP Whiteside

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

J P Whiteside
Secretary

Hill Quays
7 Jordan Street
Manchester
M15 4PY

21/11/12

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of CTP Limited

We have audited the financial statements of CTP Limited for the year ended 31 December 2011 set out on pages 5 to 16 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 Directors' Responsibilities Statement set out on page 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 (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 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 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 auditor's report to the members of CTP Limited *(continued)*

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

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS
23 November 2012

Profit and loss account
for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Turnover	2	**12,524**	14,342
Cost of sales		**(11,621)**	(12,511)
Gross profit		**903**	1,831
Administrative expenses		**(720)**	(745)
Operating profit		**183**	1,086
Interest receivable and similar income	6	**1**	-
Interest payable and similar charges	7	**(446)**	(367)
Dividend income received		**300**	-
Profit on ordinary activities before taxation	3	**38**	719
Tax on profit on ordinary activities	8	**-**	-
Profit on ordinary activities after taxation		**38**	719

A reconciliation of movements in shareholders' funds is given in note 18

The historical cost profits and losses are the same as those shown above

The company has no recognised gains or losses other than the loss for the year shown above

All amounts relate to continuing operations

Balance sheet
at 31 December 2011

	Note	2011 £000	2011 £000	2010 £000	2010 £000
Fixed assets					
Tangible assets	9		1,058		1,103
Investments	10		105		105
			1,163		1,208
Current assets					
Work in progress	11	12,653		13,674	
Debtors	12	3,227		6,110	
Cash at bank and in hand		161		136	
		16,041		19,920	
Creditors amounts falling due within one year	13	(7,436)		(14,538)	
Net current assets			8,605		5,382
Total assets less current liabilities			9,768		6,590
Creditors. amounts falling due after more than one year	14		(3,501)		(361)
Net assets			6,267		6,229
Capital and reserves					
Called up share capital	16		-		-
Profit and loss account	17		6,267		6,229
Shareholders' funds	18		6,267		6,229

These financial statements were approved by the board of directors on 31 November 2012 and were signed on its behalf by

G Illingworth
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own consolidated financial statements

As the Company is a wholly owned subsidiary of CTP Securities Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group The consolidated financial statements of CTP Securities Limited, within which this Company is included, can be obtained from the address given in note 23

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons

(a) The company are dependent for their working capital, in part, on funds provided by Development Securities plc, a shareholder of CTP Limited's ultimate parent undertaking CTP Securities Limited Development Securities plc have provided facilities totalling £13m to CTP Securities Limited group (the "group") which it can draw down as required As at October 2012, the group had drawn down £8 7m under the facilities, in addition to its external bank borrowings and overdraft The facilities are scheduled for repayment in November 2017

Development Securities plc has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the group and in particular will not seek repayment of the amounts currently made available Nevertheless due to the current economic environment and difficulties within the industry, there can be no certainty that Development Securities Plc will continue to provide such support, although at the date of approval of these financial statements, the directors have no reason to believe it will not do

The cash flow forecasts prepared by the directors of the group show that the group can operate within the facilities provided for at least the next twelve months

(b) The company is also dependent for its working capital on funds provided through a number of bank facilities, each one secured on individual property developments, the majority of which are completed and awaiting sale The Directors have had discussions with their lenders with a view to securing funding for the foreseeable future, and have been successful in renewing or extending, where necessary, a number of these agreements during the year and subsequent to the year end In addition, a facility of £2 9m has been repaid subsequent to the year end (see note 24) At the date of approval of these financial statements all of the remaining facilities were in place, subject to certain covenant requirements, for at least a twelve month period

After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future

Notes *(continued)*

1 Accounting policies *(continued)*

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold buildings	- Life of lease
Office equipment	- 4 to 10 years

Leases

Assets obtained under hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to income as incurred

Pension costs

The company contributes to its employees' personal pension plans Contributions to the scheme are charged to the profit and loss account when paid

Work in progress

Development land is valued at the lower of cost and net realisable value

Work in progress represents commercial developments under construction and are shown at cost less contract progress payments received Cost includes appropriate overheads and profit less any foreseeable losses

Turnover

Turnover represents the value of developments, project management fees, property disposals, rent and recharges to tenants, fees realised/receivable and recharges to group and related companies

Profit recognition

The group recognises profit on a development when it has been sold and all costs can be assessed with reasonable certainty

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 No discounting is applied to the deferred tax balance

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

Notes *(continued)*

1 Accounting policies *(continued)*

***Classification of financial instruments issued by the Company** (continued)*

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2 Turnover

	2011 £000	2010 £000
Property development	11,936	13,742
Property rents receivable	588	600
	12,524	14,342

3 Profit on ordinary activities before taxation

	2011 £000	2010 £000
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
Owned	45	45
Auditors' remuneration:		
Audit of these financial statements	10	10

4 Remuneration of directors

	2011 £000	2010 £000
Directors' emoluments and fees	260	271
Money purchase pension schemes	-	-
	260	271

Notes *(continued)*

4 Remuneration of directors *(continued)*

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £165,000 *(31 December 2010 £165,000)*, and company pension contributions of £nil *(31 December 2010 £nil)* were made to a money purchase scheme on his behalf

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2011	2010
Office and management	**5**	7

The aggregate payroll costs of these persons were as follows

	2011	2010
	£000	£000
Wages and salaries	**290**	344
Social security costs	**28**	49
Other pension costs *(see note 20)*	**8**	12
	326	405

6 Interest receivable and similar income

	2011	2010
	£000	£000
Bank interest	**1**	-

7 Interest payable and similar charges

	2011	2010
	£000	£000
On bank loans and overdrafts	**446**	367

Notes *(continued)*

8 Tax on profit on ordinary activities

Analysis of charge

	2011	2010
	£000	£000
UK corporation tax		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
Origination/reversal of timing differences	-	-
Total deferred tax	-	-
Tax charge on profit on ordinary activities	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (*31 December 2010 lower*) than the standard rate of corporation tax in the UK (26 5%, *31 December 2010 28%*) The differences are explained below

	2011	2010
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	**38**	719
Current tax at 26 5% *(2010 28%)*	**10**	201
Effects of		
Income not chargeable to tax	**(80)**	-
Expenses not deductible for tax purposes	**2**	2
Depreciation/(capital allowances) in excess of capital allowances/(depreciation)	**12**	8
Group relief	**-**	(63)
Creation/(utilisation) of tax losses	**56**	(148)
Current tax (credit)/charge (see above)	-	-

Factors that may affect future current and total tax charges

The company has estimated tax losses of £6,936,000 *(2010 £6,725,000)* available for carry forward against future trading profits

A net deferred tax asset of £1,734,000 *(2010 £1,789,000)* has not been recognised as the future recovery is not sufficiently certain

Notes *(continued)*

8 Taxation *(continued)*

On the 23 March 2011 the Chancellor announced that the main rate of UK corporation tax will reduce from 26% to 25% with effect from 1 April 2012 This change became substantively enacted in July 2011 and therefore the effect of the rate reduction on the deferred tax balances has been included in the figures above The Chancellor has also proposed changes to further reduce the main rate of UK corporation tax by 1% per annum to 22% by 1 April 2014 These reductions have not been substantively enacted the changes and are not reflected in the above figures

The unrecognised UK deferred tax asset at 31 December 2011 has been calculated at the rate of 25%, that being the rate that was substantively enacted at the balance sheet date It has not yet been possible to quantify the full anticipated effect of the announced further 3 rate reduction, although this will reduce the Company's future UK current tax charge and reduce the Company's deferred tax liabilities/assets accordingly

9 Tangible fixed assets

	Long leasehold premises £000	Office equipment £000	Total £000
Cost			
At beginning of year	1,248	377	1,625
Additions	-	-	-
Disposals	-	-	-
At end of year	1,248	377	1,625
Depreciation			
At beginning of year	335	187	522
Charge for year	28	17	45
Disposals	-	-	-
At end of year	363	204	567
Net book value			
At 31 December 2011	**885**	**173**	**1,058**
At 31 December 2010	913	190	1,103

The net book value of the land and buildings comprises £885,000 *(2010 £913,000)* in relation to long leasehold premises

Notes *(continued)*

10 Fixed asset investments

	Shares in subsidiary undertakings 000	Shares in associated undertakings 000	Shares in unquoted companies 000	Total 000
Cost				
At beginning and end of year	104	1	20	125
Provisions				
At beginning and end of year	-	-	20	20
Net book value				
At 31 December 2011	**104**	**1**	**-**	**105**
At 31 December 2010	104	1	-	105

The principal companies in which the company's interest at the year end is more than 10% are as follows

	Country of registration	Principal activity	Percentage of voting ordinary share held	and year end
Subsidiary undertakings				
CTP Property Investments Limited	England and Wales	Property investment	100%	31 December
CTP (Wakefield) Limited (formerly CTP St James Limited)	England and Wales	Property development	50%	31 December
Joint ventures				
Miller/CTP (Pacific Quay) Limited	Scotland	Property development	50%	31 December
Pacific Quay Developments Limited	Scotland	Property development	50%	31 December
Luneside East Limited	England and Wales	Property development	50%	31 December

11 Work in progress

	2011 000	2010 £000
Developments in progress	**12,653**	13,764

Notes *(continued)*

12 Debtors

	2011	2010
	000	£000
Trade debtors	**166**	253
Amounts owed by group companies	**1,641**	-
Amounts owed by joint ventures	**953**	3,946
Prepayments	**47**	148
Other debtors	**420**	1,763
	3,227	6,110

13 Creditors: amounts falling due within one year

	2011	2010
	000	£000
Bank overdraft and loans	**5,773**	8,838
Trade creditors	**315**	1,361
Amounts due to group companies	**-**	3,060
Amounts owed to joint ventures	**38**	369
Other taxation and social security	**245**	11
Accruals and deferred income	**1,065**	899
	7,436	14,538

14 Creditors: amounts falling due after more than one year

	2011	2010
	000	£000
Bank loans	**3,501**	361
	3,501	361

15 Loans and overdrafts

	2011	2010
	000	£000
Debt can be analysed as falling due		
Within one year	**5,773**	8,838
Between one and two years	**160**	46
Between two and five years	**3,181**	125
In five years or more	**160**	190
	9,274	9,199

The bank overdraft and loans are subject to interest charged at Base Rate and Libor Margins vary between 3% and 4% All of the loans identified above are secured against the developments and properties to which they relate At the year end, bank loans due within one year included £1 8m in relation to a facility which the directors have successfully renegotiated subsequent to the year end and which now falls due in instalments over 5 years In addition, bank loans due within one year included £2 9m which has been repaid subsequent to the year end (see note 24)

Notes *(continued)*

16 Called up share capital

	2011	2010
		£
Authorised		
100 Ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

17 Reserves

	Profit and loss account
	£000
At beginning of year	6,229
Profit for the year	38
At end of year	**6,267**

18 Reconciliation of movements in shareholders' funds

	2011	2010
	000	£000
Profit for the financial year	**38**	719
Dividends	-	-
Net addition to shareholders' funds	**38**	719
Opening shareholders' funds	**6,229**	5,510
Closing shareholders' funds	**6,267**	6,229

Notes *(continued)*

19 Related party transactions

Transactions with joint ventures

The company has provided working capital to a number of the joint ventures during the year and the amounts outstanding at the year end are identified below

	2011	2010
	000	£000
Miller/CTP (Pacific Quay) Limited	112	112
Luneside East Limited	841	806
	953	918

20 Pension scheme

The company contributes an agreed percentage of salary to employees' personal pension plans The pension charge for the year represents contributions paid by the company in the year Contributions in the year amounted to £8,000 *(31 December 2010 £12,000)*

21 Commitments

The company did not have any capital commitments at the end of the financial year *(2010 £nil)*

22 Immediate holding company

The company's immediate holding company is CTP Group Holdings Limited

23 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company's ultimate parent company is CTP Securities Limited which is incorporated in the UK and registered in England and Wales

The largest and smallest group in which the results of the Company are consolidated is that headed by CTP Securities Limited No other group financial statements include the results of the Company The consolidated financial statements of this group are available to the public and may be obtained from the Secretary, CTP Securities Limited, Hill Quays, 7 Jordan St, Manchester, M15 4PY

24 Post Balance sheet events

On 20 April 2012, a property development was transferred to CTP Securities Limited, CTP Limited's ultimate parent undertaking, at its book value of £2 9m On the same day CTP Securities Limited provided CTP Limited with cash in order for the associated bank debt of £2 9m to be repaid in full