

Company Registration No. 02666386 (England and Wales)

**FIRST LONDON INVESTMENTS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2013**



# **FIRST LONDON INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	D A Pearlman M R Goldberger
<b>Secretary</b>	M R Goldberger
<b>Company number</b>	02666386
<b>Registered office</b>	Quadrant House - Floor 6 4 Thomas More Square London E1W 1YW
<b>Auditors</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
<b>Business address</b>	3rd Floor 9 White Lion Street London N1 9PD

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# **FIRST LONDON INVESTMENTS LIMITED**

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# **FIRST LONDON INVESTMENTS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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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 a property investment company.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

#### **Results and dividends**

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

The directors do not recommend payment of an ordinary dividend.

#### **Directors**

The following directors have held office since 1 October 2012:

D A Pearlman  
M R Goldberger

#### **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.

**FIRST LONDON INVESTMENTS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2013**


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**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.

By order of the board



M R Goldberger

Secretary

26 June 2014

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF FIRST LONDON INVESTMENTS LIMITED**

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We have audited the financial statements of First London Investments 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](http://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.

#### **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.

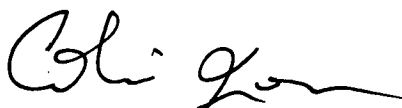
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE MEMBERS OF FIRST LONDON INVESTMENTS 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

26<sup>th</sup> June 2014

Chartered Accountants  
Statutory Auditor

**FIRST LONDON INVESTMENTS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	Notes	2013 £	2012 £
<b>Turnover</b>	<b>2</b>	318,836	316,148
Property expenses		(72,014)	(60,026)
<b>Gross profit</b>		246,822	256,122
Administrative expenses		(10,628)	(8,204)
<b>Operating profit</b>	<b>3</b>	236,194	247,918
Investment income	<b>4</b>	20	20
Other interest receivable and similar income	<b>4</b>	121	76
Amounts written off investments	<b>5</b>	(2)	-
Interest payable and similar charges	<b>6</b>	(72,494)	(74,497)
<b>Profit on ordinary activities before taxation</b>		163,839	173,517
Tax on profit on ordinary activities	<b>7</b>	(42,950)	(1,050)
<b>Profit for the year</b>	<b>13</b>	120,889	172,467

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



**FIRST LONDON INVESTMENTS LIMITED**

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

	Notes	2013 £	2012 £
Profit for the financial year		120,889	172,467
Unrealised deficit on revaluation of properties		(1,900,000)	-
Total recognised gains and losses relating to the year		(1,779,111)	172,467

# FIRST LONDON INVESTMENTS LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	8	2,400,000	4,300,000
Investments	9	-	2
		<u>2,400,000</u>	<u>4,300,002</u>
<b>Current assets</b>			
Debtors	10	2,414,375	2,075,329
Cash at bank and in hand		6,580	513
		<u>2,420,955</u>	<u>2,075,842</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,623,429)</u>	<u>(2,399,207)</u>
<b>Net current liabilities</b>		<u>(202,474)</u>	<u>(323,365)</u>
<b>Total assets less current liabilities</b>		<u><u>2,197,526</u></u>	<u><u>3,976,637</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	100,000	100,000
Revaluation reserve	13	649,473	2,549,473
Profit and loss account	13	1,448,053	1,327,164
<b>Shareholders' funds</b>	14	<u><u>2,197,526</u></u>	<u><u>3,976,637</u></u>

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

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D A Pearlman  
Director

Company Registration No. 02666386

# **FIRST LONDON INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties.

##### **Going concern**

The Company is dependent upon its parent company and fellow subsidiaries for continuing financial support.

The Company is financed partly by equity and partly by way of facilities provided by its parent company or fellow subsidiaries, and ultimately banking facilities provided to those Group 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 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

##### **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 rents and service charges receivable, net of VAT.

# **FIRST LONDON INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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#### **1 Accounting policies**

**(Continued)**

##### **1.4 Tangible fixed assets and depreciation**

Investment properties are revalued annually by the directors. The aggregate surplus or deficit arising from such revaluation is transferred to the revaluation reserve unless a deficit (or its reversal) on an individual property is expected to be permanent, in which case it is charged (or credited) to the profit and loss account.

No depreciation is provided in respect of freehold and long leasehold investment properties although it is a departure from the general requirement of the Companies Act 2006 to provide depreciation in respect of fixed assets having limited useful economic life. These properties are not held for consumption but for investment and the directors consider that systematic depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Depreciation is provided on short leasehold investment properties where the unexpired lease term is less than 20 years.

##### **1.5 Investments**

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

##### **1.6 Deferred taxation**

Deferred tax 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.

Deferred tax is not provided on timing differences arising from the revaluations of fixed assets, where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

##### **1.7 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 2006 as it is a subsidiary undertaking of Structadene Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company. The company owns the entire share capital of Longspan Limited, which is a dormant company.

#### **2 Turnover**

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

# FIRST LONDON INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2013

<b>3</b>	<b>Operating profit</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Auditors' remuneration	3,810	3,800
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Listed investment dividends	20	20
	Other interest	121	76
		<u>          </u>	<u>          </u>
		141	96
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Amounts written off investments</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Amounts written off fixed asset investments:		
	- permanent diminution in value	2	-
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Other interest	72,494	74,497
		<u>          </u>	<u>          </u>

Other interest payable includes an apportionment of charges paid on group borrowings by Newport Holdings Limited, the company's immediate parent company. The apportionment is based on the proportion that the company's investment property value forms in relation to the overall security provided for the loan.

**FIRST LONDON INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2013**

<b>7 Taxation</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U.K. corporation tax	44,000	1,050
Adjustment for prior years	(1,050)	-
<b>Total current tax</b>	<b>42,950</b>	<b>1,050</b>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	163,839	173,517
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.50% (2012 - 25.00%)	38,502	43,379
Effects of:		
Adjustments to previous periods	(1,050)	-
Dividends and distributions received	-	(5)
Group relief	5,505	(42,061)
Other tax adjustments	(7)	(263)
	4,448	(42,329)
<b>Current tax charge for the year</b>	<b>42,950</b>	<b>1,050</b>

# FIRST LONDON INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2013

#### 8 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Total £
<b>Cost or valuation</b>			
At 1 October 2012	1,400,000	2,900,000	4,300,000
Revaluation	(570,000)	(1,330,000)	(1,900,000)
At 30 September 2013	<u>830,000</u>	<u>1,570,000</u>	<u>2,400,000</u>

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

Two of the investment properties provide part of the security against a loan taken out in a fellow subsidiary company, Shardell Limited. A legal charge is held over the remaining investment property as part of the borrowings taken out by Newport Holdings Limited, First London Investments Limited's immediate parent company.

The company, together with Structadene Limited, Newport Holdings Limited, Cosmichome Limited, Carlton Real Estates Developments Limited, Maiden Lane Estates Limited, Newport (Oban) Limited, Islington Three, Islington Holdings LLP and D A Pearlman entered a cross guarantee in favour of Nationwide Building Society (NBS) on the current and future borrowings owing to NBS by Shardell Limited.

D A Pearlman controls Structadene Limited, the ultimate parent company, with the remaining above mentioned being fellow subsidiary undertakings of First London Investments Limited.

# FIRST LONDON INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2013

#### 9 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost or valuation</b>	
At 1 October 2012	2
Disposals	(2)
	<hr/>
At 30 September 2013	-
	<hr/>
<b>Net book value</b>	
At 30 September 2013	-
	<hr/>
At 30 September 2012	2
	<hr/>

#### Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Longspan Limited	England	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2013 £	Profit/(loss) for the year 2013 £
	<b>Principal activity</b>		
Longspan Limited	Dormant	-	-
		<hr/>	<hr/>



**FIRST LONDON INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2013**

<b>10 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amounts owed by parent and fellow subsidiary undertakings	2,382,032	1,969,785
Prepayments and accrued income	32,343	105,544
	<u>2,414,375</u>	<u>2,075,329</u>

<b>11 Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	29,037	29,064
Amounts owed to parent and fellow subsidiary undertakings	2,418,634	2,202,142
Corporation tax	44,000	1,050
Other taxes and social security costs	10,068	5,851
Other creditors	16,207	15,880
Accruals and deferred income	105,483	145,220
	<u>2,623,429</u>	<u>2,399,207</u>

<b>12 Share capital</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

<b>13 Statement of movements on reserves</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 October 2012	2,549,473	1,327,164
Profit for the year	-	120,889
Revaluation during the year	(1,900,000)	-
	<u>649,473</u>	<u>1,448,053</u>
Balance at 30 September 2013	<u>649,473</u>	<u>1,448,053</u>

# FIRST LONDON INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2013

<b>14 Reconciliation of movements in shareholders' funds</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	120,889	172,467
Other recognised gains and losses	(1,900,000)	-
Net (depletion in)/addition to shareholders' funds	(1,779,111)	172,467
Opening shareholders' funds	3,976,637	3,804,170
Closing shareholders' funds	2,197,526	3,976,637

#### 15 Contingent liabilities

There is a potential deferred tax liability of £7,002 (2012: £7,669) arising from accelerated capital allowances, and £26,608 (2012: £458,593) arising from the surplus on revaluation of investment properties which has not been provided for in the financial statements.

#### 16 Employees

##### Number of employees

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

#### 17 Control

The company's immediate parent company is Newport Holdings Limited, and its intermediate parent company is Mintglade Limited. The ultimate parent undertaking is Structadene Limited, which is the only undertaking to consolidate these financial statements. Copies of the financial statements of Structadene Limited can be obtained from the Registrar of Companies House. The ultimate controlling party is D A Pearlman, a director of this company and a director and controlling shareholder of Structadene Limited.

#### 18 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.