

CLE RESIDENTIAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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CLE RESIDENTIAL LIMITED

COMPANY INFORMATION

DIRECTORS	M D S James R J Stearn
COMPANY SECRETARY	S J Odell
REGISTERED NUMBER	03212354
REGISTERED OFFICE	43-45 Portman Square London W1H 6LY
INDEPENDENT AUDITOR	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

CLE RESIDENTIAL LIMITED

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CLE RESIDENTIAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is property investment.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £97,059 (2013: £124,183).

The directors do not recommend payment of an ordinary dividend (2013: £nil).

DIRECTORS

The directors who served during the year were:

M D S James
R J Stearn

DISCLOSURE OF INFORMATION TO AUDITOR

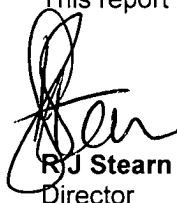
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Under section 487(2) of the Companies Act 2006, KPMG LLP are deemed to be reappointed as auditor.

This report was approved by the board and signed on its behalf.



R J Stearn
Director

Date: 21 November 2014

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

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 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 judgments 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; 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLE RESIDENTIAL LIMITED

We have audited the financial statements of CLE Residential Limited for the year ended 31 March 2014, set out on pages 5 to 12. 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 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

CLE RESIDENTIAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLE RESIDENTIAL 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



Bill Holland (Senior statutory auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

26 November 2014

CLE RESIDENTIAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
TURNOVER	2	11,333	13,067
Cost of sales		(9,698)	-
		<hr/>	<hr/>
GROSS PROFIT		1,635	13,067
Administrative expenses		(7,000)	(5,100)
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT	3	(5,365)	7,967
Interest receivable and similar income	5	102,424	116,216
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		97,059	124,183
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	12	97,059	124,183
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

CLE RESIDENTIAL LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR	97,059	124,183
Unrealised deficit on revaluation of investment properties	-	(20,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	97,059	104,183

The notes on pages 8 to 12 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investment properties	7		230,000		230,000
CURRENT ASSETS					
Debtors	8	2,388,808		2,290,732	
CREDITORS: amounts falling due within one year	9	(1,017)		-	
NET CURRENT ASSETS			2,387,791		2,290,732
NET ASSETS			2,617,791		2,520,732
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Revaluation reserve	12		105,000		105,000
Profit and loss account	12		2,512,790		2,415,731
SHAREHOLDERS' FUNDS			2,617,791		2,520,732

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


R. J. Stearn
Director

Date: 21 November 2014

The notes on pages 8 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with all applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Companies Act 2006, except as explained below.

Under the provision of FRS 1 (Revised) 'Cash Flow Statements' the Company has not prepared a cashflow statement because its ultimate parent company, Quintain Estates and Development PLC, which is incorporated in Great Britain, has prepared consolidated financial statements which include the financial statements of the Company for the year and which contain a cashflow statement.

1.2 Turnover

Turnover is stated net of VAT and comprises rental income, sales of trading stocks, commissions and fees receivable. Rent increases arising from rent reviews due during the year are taken into account only to the extent that such reviews are agreed with tenants at the accounting date.

1.3 Investment properties

Additions to investment properties consist of costs of a capital nature. Disposals of investment properties are recognised in the financial statements on the date of unconditional exchange or, where an exchange is conditional, on the date that conditions have been satisfied. Profits or losses arising on disposal are calculated by reference to the carrying value of the asset at the last revaluation, adjusted for subsequent capital expenditure and selling costs.

1.4 Investment properties & depreciation

In accordance with SSAP 19 'Accounting for Investment Properties' no depreciation is provided in respect of the Company's freehold investment properties. This represents a departure from the provisions of the Companies Act 2006 which requires all properties to be depreciated. Such properties are held not for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified.

1.5 Revaluation of investment properties

Investment properties are independently valued annually by external professional valuers on a market value basis. Investment properties under development are stated at estimated market value on completion, supported by independent valuation, less estimated costs to complete. Any surplus or deficit on revaluation is transferred to the revaluation reserve except that deficits below original cost which are expected to be permanent are charged to the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES (continued)

1.6 Taxation

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date, except that as permitted by FRS 19 'Deferred Tax' no provision is made for the tax on unrealised property revaluation surpluses. Deferred tax assets are recognised to the extent that they are considered recoverable.

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2014	2013
	£	£
Rents receivable	11,333	13,067

All turnover arose within the United Kingdom.

3. OPERATING (LOSS)/PROFIT

Fees of £700 (2013: £700) paid to the Company's auditor, KPMG LLP, for the audit of the Company have been wholly borne by the ultimate parent Company, Quintain Estates and Development PLC. This cost forms part of a group management fee from the ultimate parent in the current and prior year.

Fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed since the consolidated accounts of the ultimate parent are required to disclose non-audit fees on a consolidated basis.

All of the directors who served during the year are also directors of the ultimate parent Company. Their remuneration for services as directors to the group is wholly borne by and disclosed in the accounts of that company in the current and prior year.

4. EMPLOYEES

There were no employees during the year other than the directors (2013: none).

5. INTEREST RECEIVABLE AND SIMILIAR INCOME

	2014	2013
	£	£
Interest receivable from group companies	102,424	116,216

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

6. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	97,059	124,183
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	22,324	29,804
Effects of:		
Disallowable expenditure	1,852	-
Utilisation of tax losses	(24,176)	(29,804)
Current tax charge for the year	-	-

Group relief has been (claimed)/surrendered for nil payment.

7. INVESTMENT PROPERTIES

	Freehold property £
Valuation	
At 1 April 2013 and 31 March 2014	230,000

Investment properties were valued independently by Jones Lang LaSalle, Chartered Surveyors, as external valuers, on the basis of market value and in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Where necessary, these valuations have been adjusted for the impact of incentives offered to tenants to enter into or renew leases as prescribed by UITF 28, Operating Lease Incentives.

The historical cost of the Company's investment properties was £125,000 (2013: £125,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

8. DEBTORS

	2014 £	2013 £
Trade debtors	1,050	7,000
Amounts owed by group undertakings	2,386,190	2,283,732
Other debtors	1,568	-
	<u>2,388,808</u>	<u>2,290,732</u>

Amounts due from parent and fellow subsidiary undertakings bear interest at variable rates and are repayable on demand.

**9. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Accruals and deferred income	<u>1,017</u>	<u>-</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Not provided		Provided	
	2014 £	2013 £	2014 £	2013 £
Surplus on revaluation of land and buildings	<u>13,126</u>	<u>15,863</u>	<u>-</u>	<u>-</u>

11. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

12. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 2013	105,000	2,415,731
Profit for the financial year	-	97,059
At 31 March 2014	<u>105,000</u>	<u>2,512,790</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Opening shareholders' funds	2,520,732	2,416,549
Profit for the financial year	97,059	124,183
Unrealised deficit on revaluation of properties	-	(20,000)
	<hr/>	<hr/>
Closing shareholders' funds	<u>2,617,791</u>	<u>2,520,732</u>

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8, Related Party Disclosures, from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, Quintain Estates and Development PLC.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Croydon Land (Holdings) Limited and its ultimate parent company is Quintain Estates and Development PLC. The only group in which results of the Company are consolidated is that headed by Quintain Estates and Development PLC. Group financial statements are available on request from 43-45 Portman Square, London W1H 6LY.