

Company Registration No. 06389811

101 New Bond Street Limited

**Annual report and financial statements
for the year ended 31 December 2015**



101 New Bond Street Limited

Annual report and financial statements for the year ended 31 December 2015

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101 New Bond Street Limited

Annual report and financial statements for the year ended 31 December 2015

Officers and professional advisers

Directors

R Brooks
M Schalken

Company Secretary

C Watson

Registered office

Montpelier Galleries
Montpelier Street
London SW7 1HH

Bankers

The Royal Bank of Scotland plc
280 Bishopsgate
London EC2M 4RB

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London EC1M 6 HR

Jones Day
21 Tudor Street
London EC4Y 0DJ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

101 New Bond Street Limited

Directors' report

The Directors of 101 New Bond Street Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2015. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Results and dividends

The profit for the year after taxation amounted to £14,242,042 (2014: loss £40,339). The Directors do not recommend the payment of a dividend.

Principal activities, review of the business and future prospects

The Company is principally engaged in the management of its one property: 101 New Bond Street, London W1.

During the year the Directors revalued the property at 101 New Bond Street based on market conditions.

The EU referendum results on the 23 June 2016 to leave the European Union does not change any specific financial information within the accounts for the year ended 31 December 2015.

Going concern

After making appropriate enquiries, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors of the Company who served throughout the year and subsequently were as follows:

R Brooks
M Schalken

Financial and credit risk

The Company's approach to financial risk management is discussed in notes 8 and 14. The Directors note that all debtors are due from Bonhams group companies, and have subsequently been settled.

As such, the Directors do not perceive there to be significant credit risk.

The Company holds one freehold property which is used in the day to day operations of the Bonhams group of companies. The properties are leased to the Bonhams group under a long term arrangement, giving the Company a steady, long term, income stream. Although the Company is subject to risk relating to the movement in property values (though the Mayfair area of London is one area where such risks are perhaps minimised), the Directors note that this property is principally held in order to derive rental income, rather than to rely on future property value growth.

Key performance indicators

The Directors monitor the Company's performance on a periodic basis using a wide range of financial and non-financial indicators, including the year to date results, cash flow performance, balance sheet review and rental yields.

101 New Bond Street Limited

Directors' report

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed by order of the Board.

20/09/2016



C Watson
Company Secretary

101 New Bond Street Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that the Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 101 New Bond Street Limited

We have audited the financial statements of 101 New Bond Street Limited for the year ended 31 December 2015 which comprise Income Statement and Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 Statement of Directors' Responsibilities, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

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 in preparing the Directors' report or from the requirement to prepare a strategic report.



Jeremy Black (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

28 September 2016

101 New Bond Street Limited

Income statement and statement of comprehensive income for the year ended 31 December 2015

	Notes	2015 £	2014 £
Revenue	1	1,300,000	1,300,000
Cost of sales		-	-
Gross profit		1,300,000	1,300,000
Administrative expenses		(67,233)	(54,195)
Operating profit	3	1,232,767	1,245,805
Revaluation of investment property	7	16,348,260	-
Finance expense	5	(542,280)	(1,286,144)
Profit/(loss) before tax		17,038,747	(40,339)
Income tax	6	(2,796,705)	-
Profit/(loss) for the year		14,242,042	(40,339)

All transactions are derived from continuing operations.

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Statement of changes in equity for the year ended 31 December 2015

	Share capital £	Retained earnings £	Total £
At 1 January 2014	1	(3,729,519)	(3,729,518)
Loss for the year	-	(40,339)	(40,339)
At 31 December 2014	1	(3,769,858)	(3,769,857)
Profit for the year	-	14,242,042	14,242,042
At 31 December 2015	1	10,472,184	10,472,185

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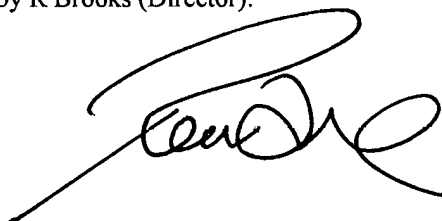
Statement of financial position at 31 December 2015

	Notes	2015 £	2014 £
Non-current assets			
Investment property	7	40,000,000	23,651,740
Current assets			
Trade and other receivables	8	10,285,714	9,052,948
Total current assets		10,285,714	9,052,948
Current liabilities			
Trade and other payables		-	-
Bank overdrafts and loans		(15)	(15)
Current tax liability		(139,823)	-
Total current liabilities		(139,838)	(15)
Net current assets		10,145,876	9,052,933
Non-current liabilities			
Loan from group undertakings	9	(34,158,747)	(33,616,467)
Deferred tax	6	(5,514,944)	(2,858,063)
Total non-current liabilities		(39,673,691)	(36,474,530)
Total liabilities		(39,813,529)	(36,474,545)
Net liabilities		10,472,185	(3,769,857)
Equity			
Share capital	10	1	1
Retained earnings		10,472,184	(3,769,858)
Total equity		10,472,185	(3,769,857)

These financial statements of 101 New Bond Street Limited (Company number 06389811) were approved by the Board of Directors and authorised for issue on

They were signed on its behalf by R. Brooks (Director):

20/09/2016



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Cash flow statement for the year ended 31 December 2015

	Notes	2015 £	2014 £
Net cash generated from operating activities	11	<u>1,232,767</u>	<u>1,245,805</u>
Financing activities			
Inter-company loans paid	13	<u>(1,232,767)</u>	<u>(1,245,805)</u>
Net cash used in financing activities		<u>(1,232,767)</u>	<u>(1,245,805)</u>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		<u>(15)</u>	<u>(15)</u>
Cash and cash equivalents at end of year		<u>(15)</u>	<u>(15)</u>

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Notes to the financial statements for the year ended 31 December 2015

1. Significant accounting policies

101 New Bond Street Limited is a company incorporated in the United Kingdom under the Companies Act.

The Directors are not aware of any standards or interpretations that are in issue and not yet effective, and as such have not been applied in these Financial Statements that will have a material impact on the Financial Statements of the Company.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have also been prepared in accordance with IFRS adopted by the European Union.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties. The principal accounting policies adopted are set out below.

Going concern

Following completion of detailed projections for its leased property, management believe that the Company has sufficient resources to continue in operational existence for the foreseeable future, and as a result these financial statements have been drawn up on the going concern basis. The Company has received a letter of support from its ultimate holding company PS&N(Holdings) Limited, and PS&N Limited has confirmed that the loan will not be withdrawn.

Whilst the current economic environment is uncertain, the nature of the Company's operations and the guaranteed contractual nature of funding together with the significant inherent value in the Company's fixed asset means that the Company is well placed to manage its business risks successfully.

Following completion of detailed projections for its leased property, management believe that the Company has sufficient resources to continue in operational existence for the foreseeable future, and as a result these Financial Statements have been drawn up on the going concern basis. Its ultimate parent company PS&N (Holdings) Limited has confirmed that it will not withdraw the loan for the foreseeable future.

Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IAS 1 (amended) - Presentation of Financial Statements
- IAS 19 (revised) – Employee Benefits
- IFRS 13 - Fair Value Measurement
- IFRS 10 – Consolidated Financial Statements
- IAS 12 (amended) - Deferred Tax: Recovery of Underlying Assets
- IFRS 9 - Financial Instruments

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

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Notes to the financial statements for the year ended 31 December 2015

1. Significant accounting policies (continued)

Impairment of tangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 balance sheet date.

Deferred tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for accounting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which these items can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset and liability in a transaction other than a business combination and, at the time of the transaction, affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Revenue

Revenue represents rental income and the recharge of rates and service charges.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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Notes to the financial statements for the year ended 31 December 2015

1. Significant accounting policies (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Related parties

For the purpose of these financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by, or affiliated with them, associated companies and other companies within the Bonhams group are considered and referred to as related parties. Transactions with related parties are priced predominantly at market rates.

2. Critical accounting estimates

Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary. Whilst every effort is made to ensure that such estimates and assumptions are reasonable, by their nature they are uncertain, and as such changes in estimates and assumptions may have a material impact in the financial statements.

The principal balances in the financial statements where changes in estimates and assumptions may have a material impact are as follows:

- **Investment property**

Investment property is held at fair value, as advised by external experts or by the Directors of the Company. However, in this case, reliance has been placed on a valuation performed by Jones Lang Lasalle during 2011, upon which the Directors are placing reliance (see note 7 for further detail).

- **Deferred taxation**

The extent to which tax losses can be utilised depends on the extent to which taxable profits are generated in the foreseeable future, and on the tax legislation then in force, and as such the value of associated deferred tax assets is uncertain (note 6).

3. Operating profit

Auditor's remuneration was paid for by PS&N (Holdings) Limited, the Company's ultimate holding company. No other fees were incurred by the Company from Deloitte LLP in the year.

4. Directors and employees

There were no employees during the current or previous year other than the Directors. There were no emoluments paid to the Directors for their services to the Company during the current year.

5. Finance expense

	2015 £	2014 £
Interest on loans from group undertakings	542,280	1,286,144

Details of the terms of the loan from group undertakings are set out in note 9.

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Notes to the financial statements for the year ended 31 December 2015

6. Income tax

Tax on profit/(loss) on ordinary activities

	2015 £	2014 £
Current income tax:		
- Current income tax charge	(139,824)	-
- Amounts over provided in previous years	-	-
Total current income tax	(139,824)	-
Deferred tax:		
- Origination and reversal of temporary differences	(3,310,523)	-
- Change in tax rate	653,642	-
- Amounts over provided in previous years	-	-
Total tax in the income statement	(2,796,705)	-

Reconciliation of the total tax credit

The tax assessed for the year is the same as (2014: higher than) that resulting from applying the average rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £	2014 £
Profit/(loss) before tax	17,038,747	(40,339)
Accounting profit multiplied by the UK average rate of corporation tax at 20.25% (2014: 21.5%)	(3,450,347)	8,673
Group relief not paid for	-	(8,673)
Change in tax rate	653,642	-
Tax over provided in previous years:		
- Current income tax charge	-	-
- Deferred tax charge	-	-
Total tax in the income statement	(2,796,705)	-

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Notes to the financial statements for the year ended 31 December 2015

6. Tax (continued)

Deferred tax

	Revaluation of investment property £
At 31 December 2014	(2,858,063)
Change in tax rates	653,642
Charge to the income statement	(3,310,523)
At 31 December 2015	<u>(5,514,944)</u>

In the 2015 Summer Budget on 8 July 2015, it was announced that there will be a further reduction in the rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. All the rate reductions have been enacted on 18 November 2015 and the impact of the rate change on deferred taxes has been reflected in the tax disclosure note to the statutory accounts as at 31 December 2015.

7. Investment property

	£
Fair value	
At 31 December 2014	23,651,740
Revaluation	16,348,260
At 31 December 2015	<u>40,000,000</u>

The fair value of the Company's investment properties at 31 December 2015 was arrived at on the basis of a valuation carried out by the Directors.

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Notes to the financial statements for the year ended 31 December 2015

8. Other financial assets

Trade and other receivables

	2015 £	2014 £
Amounts owed by group undertakings	10,285,714	9,052,948

Credit risk

The Company's principal financial assets are trade and other receivables.

The Company's credit risk is primarily attributable to its trade credit receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

Past due but not impaired receivables

The Company has no past due debts at the year end.

Impaired receivables

In determining the recoverability of a trade receivable the Company considers any changes in the credit quality of the debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the strong trading of the group which pays the rent. Accordingly, the Directors believe that there are no provisions required for doubtful debts.

9. Loan from group undertakings

	2015 £	2014 £
Amounts owed to group undertakings	34,158,747	33,616,467

Interest on the loan, held with PS&N Limited, is payable every three months. Interest has been charged at 2.5% over LIBOR up until September 2015. From then the interest rate was increased to 3.14%. This was due to the refinancing of the Company's ultimate parent company that happened during the year.

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Notes to the financial statements for the year ended 31 December 2015

10. Share capital

	2015 £	2014 £
Authorised, allotted, called up and fully paid:		
1 ordinary share of £1	1	1

The ultimate beneficial owners of the Company's ultimate parent are:

	Number of ordinary shares 2015	Number of ordinary shares 2014
R Brooks	2,550,000	2,550,000
Clamator Beheer BV	1,540,000	1,540,000
R&H Trust Company (Jersey) Limited	950,000	950,000
Pasquale Investments II Limited	1,960,000	1,960,000

11. Notes to the cash flow statement

	2015 £	2014 £
Operating profit	1,232,767	1,245,805
Operating cash flows before movements in working capital	1,232,767	1,245,805
Decrease in payables	-	-
Cash generated from operations	1,232,767	1,245,805
Income taxes paid	-	-
Net cash generated from operating activities	1,232,767	1,245,805

12. Parent undertaking

The immediate parent company is PS&N Limited.

At 31 December 2015 the ultimate parent company and controlling party is PS&N (Holdings) Limited, a company incorporated in Great Britain and registered in England and Wales. Group financial statements are prepared for PS&N (Holdings) Limited which is the smallest and largest group for which consolidated financial statements are prepared of which the Company is a member.

Copies of the PS&N (Holdings) Limited financial statements are available by writing to Montpelier Galleries, Montpelier Street, London SW7 1HH.

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Notes to the financial statements for the year ended 31 December 2015

13. Transactions with related parties

During the year the Company charged Bonhams 1793 Ltd £1,300,000 (2014: £1,300,000) for rent. There were no amounts owed by this company at the year end (2014: £nil).

The transactions during the year are summarised as follows:

	Rental of property 2015 £	Amounts owed from/(to) related parties 2015 £	Rental of property 2014 £	Amounts owed from/(to) related parties 2014 £
Bonhams 1793 Limited	1,300,000	-	1,300,000	-
PS&N Limited – Loan (note 9)	-	(34,158,747)	-	(33,616,467)
PS&N (Holdings) Limited	-	10,285,715	-	9,052,947
PS&N Limited	-	1	-	1

14. Financial risk management

The Directors note that the financial risks relating to the operations of the Company are limited, but managed through regular analysis of exposures by degree and magnitude of risk. These risks identified include interest rate risk, credit risk and capital management risk.

Interest rate risk management

Intragroup receivable/payable balances do not bear interest.

Liquidity risk management

The Directors consider the Company's receivable and payable position to mitigate any exposure to this risk.

Credit risk management

The Company's principal financial assets are trade and other receivables.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained. The Company's credit risk is primarily attributable to its intragroup trade credit receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

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Notes to the financial statements for the year ended 31 December 2015

14. Financial Risk Management (continued) Capital management risk

Capital is the equity attributable to the equity holders of the parent less the net unrealised gains reserve.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company might adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year end 31 December 2015 and 31 December 2014.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between sensible levels. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables. Capital includes interest bearing preference shares and equity attributable to the equity holders of the parent.

	2015 £	2014 £
Trade and other payables	-	-
Bank overdraft	15	15
Loan from group undertakings (note 9)	34,158,747	33,616,467
Net debt	34,158,762	33,616,482
Equity	10,472,185	(3,769,857)
Total capital	10,472,185	(3,769,857)
Capital and net debt	44,630,947	29,846,625
Gearing ratio	77%	113%