

**Westmark (Cabot) Limited**  
**Financial statements**  
**31 December 2016**

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COMPANIES HOUSE

# **Westmark (Cabot) Limited**

## **Financial statements**

**Year ended 31 December 2016**

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<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1</b>
Directors' report	<b>2</b>
Independent auditor's report to the members	<b>4</b>
Statement of income and retained earnings	<b>6</b>
Statement of financial position	<b>7</b>
Notes to the financial statements	<b>8</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	<b>16</b>
Notes to the detailed income statement	<b>17</b>

# **Westmark (Cabot) Limited**

## **Officers and professional advisers**

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### **The board of directors**

Clive Lewis  
Michael Rosehill

### **Company secretary**

Cavendish Square Secretariat

### **Registered office**

Chelsea House  
West Gate  
Ealing  
London  
W5 1DR

### **Auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
United Kingdom  
E14 5GL

# **Westmark (Cabot) Limited**

## **Directors' report**

### **Year ended 31 December 2016**

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The directors present their report and the financial statements of the company for the year ended 31 December 2016.

#### **Directors**

The directors who served the company during the year were as follows:

Clive Lewis  
Michael Rosehill

#### **Directors' responsibilities statement**

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), including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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 auditor is aware of that information.

KPMG LLP were appointed as auditors of the company during the year. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

# Westmark (Cabot) Limited

## Directors' report *(continued)*

Year ended 31 December 2016

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### Small company provisions

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

This report was approved by the board of directors on 25/05/17 and signed on behalf of the board by:



Soumitra Padmanathan

For and on behalf of Cavendish Square Secretariat - Secretary

# **Westmark (Cabot) Limited**

## **Independent auditor's report to the members of Westmark (Cabot) Limited**

### **Year ended 31 December 2016**

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We have audited the financial statements of Westmark (Cabot) Limited for the year ended 31 December 2016 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities)*.

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, including APB Ethical Standard - Provisions Available for Small Entities (Revised).

#### **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](http://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 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of our audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

# Westmark (Cabot) Limited

## Independent auditor's report to the members of Westmark (Cabot) Limited *(continued)*

Year ended 31 December 2016

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### 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.



**Jonathan Downer (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
United Kingdom

*26 May 2017*

# Westmark (Cabot) Limited

## Statement of income and retained earnings

Year ended 31 December 2016

		2016	2015
	Note	£	£
Turnover	4	19,351	11,000,000
Cost of sales		—	(8,214,902)
Gross profit		19,351	2,785,098
Administrative expenses		(15,278)	(105,536)
Other operating income	5	9,601	(48,882)
Operating profit		13,674	2,630,680
Interest receivable	8	219,540	108
Interest payable	9	—	(110,115)
Fair value adjustment for investment properties	11	—	176,250
Profit on ordinary activities before taxation		233,214	2,696,923
Taxation on ordinary activities	10	1,763	(31,725)
Profit for the financial year and total comprehensive income		234,977	2,665,198
Retained earnings at the start of the year		7,458,502	4,793,304
Retained earnings at the end of the year		7,693,479	7,458,502

All the activities of the company are from continuing operations.

The notes on pages 8 to 14 form part of these financial statements.




# Westmark (Cabot) Limited

## Statement of financial position

31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	176,250	176,250
<b>Current assets</b>			
Debtors	12	7,760,497	7,440,427
Cash at bank and in hand		695	195,079
		<u>7,761,192</u>	<u>7,635,506</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(213,001)</u>	<u>(320,529)</u>
<b>Net current assets</b>		<u>7,548,191</u>	<u>7,314,977</u>
<b>Total assets less current liabilities</b>		<u>7,724,441</u>	<u>7,491,227</u>
<b>Provisions</b>	15	<u>(29,962)</u>	<u>(31,725)</u>
<b>Net assets</b>		<u>7,694,479</u>	<u>7,459,502</u>
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Profit and loss account	17	<u>7,693,479</u>	<u>7,458,502</u>
<b>Shareholders' funds</b>		<u>7,694,479</u>	<u>7,459,502</u>

These financial statements were approved by the board of directors and authorised for issue on ~~25.10.17~~, and are signed on behalf of the board by:



Michael Rosehill  
Director

Company registration number: 06675401

The notes on pages 8 to 14 form part of these financial statements.

# **Westmark (Cabot) Limited**

## **Notes to the financial statements**

**Year ended 31 December 2016**

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### **1. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

### **2. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of L51N Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

#### **Judgements and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

- They have determined whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- They have determined whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty relate to:

#### **Tangible fixed assets**

Residential Investment properties are professionally valued annually using a comparable technique. This uses market values and indices for comparable real estate, adjusted if necessary for any change in the nature, location or condition of the specific asset but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Yields are considered a secondary valuation indicator for residential property and are calculated using existing rents or rental values expressed as a percentage of the value. Key inputs into the valuations were:

- o Capitalisation rate: 6.67%

#### **Revenue recognition**

Profit on sales of developed properties are taken on receipt of sales proceeds at legal completion. Costs attributable to each sale comprise an appropriate proportion of the total costs of the development. Operating lease rentals are credited to the profit and loss account in equal annual amounts over the lease term.

# Westmark (Cabot) Limited

## Notes to the financial statements *(continued)*

### Year ended 31 December 2016

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#### 2. Accounting policies *(continued)*

##### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

##### Investment property

Investment property is carried at fair value determined annually by an employee of the group and subject to an external valuation every five years. Fair value is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

##### Interest income

##### Interest income

Interest income and similar income includes interest receivable on funds invested and interest receivable from group undertakings. Interest income is recognised in profit or loss as it accrues, using the effective interest rate.

# Westmark (Cabot) Limited

## Notes to the financial statements *(continued)*

### Year ended 31 December 2016

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#### 2. Accounting policies *(continued)*

##### Basic financial instruments

###### Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

###### Interest-bearing borrowings classified as basic financial instruments

Intercompany loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### 3. Country of incorporation

Westmark (Cabot) Limited is incorporated in the United Kingdom.

#### 4. Turnover

Turnover arises from:

	2016 £	2015 £
Sales	–	11,000,000
Rental income	19,351	–
	<u>19,351</u>	<u>11,000,000</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 5. Other operating income

	2016 £	2015 £
Rental income	9,601	(48,882)

#### 6. Directors & employees

No salaries or wages have been paid to employees, including the directors, during the year (2015: £nil).

#### 7. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>3,300</u>	<u>2,343</u>

# Westmark (Cabot) Limited

## Notes to the financial statements *(continued)*

### Year ended 31 December 2016

#### 8. Interest receivable

	2016	2015
	£	£
Interest on cash and cash equivalents	1,125	108
Interest from group undertakings	218,415	—
	<u>219,540</u>	<u>108</u>

#### 9. Interest payable

	2016	2015
	£	£
Other interest payable and similar charges	—	110,115
	<u>—</u>	<u>110,115</u>

#### 10. Taxation on ordinary activities

##### (a) Analysis of tax (credit)/charge in the year

	2016	2015
	£	£
<b>Deferred tax:</b>		
Origination and reversal of timing differences	—	31,725
Impact of change in tax rate	(1,763)	—
Total deferred tax	<u>(1,763)</u>	<u>31,725</u>
<b>Taxation on ordinary activities</b>	<u>(1,763)</u>	<u>31,725</u>

##### (b) Factors affecting tax (credit)/charge for the period

The actual tax on the result on ordinary activities differs from the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	233,214	2,696,923
Profit on ordinary activities multiplied by the standard rate of UK corporation tax	46,643	546,127
Effect of expenses not deductible for tax purposes	—	764
Change in tax rates	(1,763)	(3,966)
Group relief (claimed)/surrendered	(46,643)	(511,200)
Tax on profit on ordinary activities	<u>(1,763)</u>	<u>31,725</u>

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015: 20.25%).

The applicable tax rate has changed following the provisions of Finance Act 2013 which reduced the main corporation tax to 20% from 1 April 2015. A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was substantively enacted on 6 September 2016 to further reduce the tax rate to 17% (to be effective from 1 April 2020).

# Westmark (Cabot) Limited

## Notes to the financial statements *(continued)*

### Year ended 31 December 2016

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#### 11. Tangible assets

	Investment property £
Valuation	
At 1 Jan 2016 and 31 Dec 2016	<u>176,250</u>
Carrying amount	
At 31 December 2016	<u>176,250</u>
At 31 December 2015	<u>176,250</u>

#### Tangible assets held at valuation

Leasehold properties are revalued annually by an employee who is a member of the Royal Institution of Chartered Surveyors; these assets are recorded at fair value in the financial statements.

Additionally, leasehold properties are valued every five years, on a rolling basis, by an independent firm of chartered surveyors in accordance with the Royal Institution of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes.

In respect of properties stated at valuation, the comparable historical cost values are nil.

#### 12. Debtors

	2016 £	2015 £
Trade debtors	70,189	81,798
Amounts owed by group undertakings	7,621,604	7,312,096
Other debtors	68,704	46,533
	<u>7,760,497</u>	<u>7,440,427</u>

All amounts fall due within one year.

#### 13. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	15,603	135,602
Accruals and deferred income	196,310	184,927
Social security and other taxes	1,088	—
	<u>213,001</u>	<u>320,529</u>

# Westmark (Cabot) Limited

## Notes to the financial statements *(continued)*

### Year ended 31 December 2016

#### 14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 15)	<u>29,962</u>	<u>31,725</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Revaluation of investment property	31,725	31,725
Change in tax rates	<u>(1,763)</u>	<u>–</u>
	<u>29,962</u>	<u>31,725</u>

#### 15. Provisions

	Deferred tax (note 14)
	£
At 1 January 2016	31,725
Charge for period	<u>(1,763)</u>
At 31 December 2016	<u>29,962</u>

#### 16. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

#### 17. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 18. Commitments under operating leases

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	10,850	11,750
Later than 1 year and not later than 5 years	43,400	47,000
Later than 5 years	<u>1,506,069</u>	<u>1,642,747</u>
	<u>1,560,319</u>	<u>1,701,497</u>

# **Westmark (Cabot) Limited**

## **Notes to the financial statements** *(continued)*

### **Year ended 31 December 2016**

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#### **19. Related party transactions**

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with wholly owned group companies.

#### **20. Ultimate parent company**

The company's ultimate parent undertaking is LFH International Limited which is registered in the Cayman Islands. The company's ultimate UK parent undertaking is L51N Limited which is registered in England. The company's immediate parent undertaking is UK & European Investments Limited which is registered in England.

UK & European Investments Limited is the smallest group and L51N Limited is the largest group of which the company is a member and for which publicly available group accounts are prepared.