

CSTI Investments Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2013



Company Registration No 06680187

CSTI Investments Limited

COMPANY INFORMATION

DIRECTORS	Michael Watson Julian Wheatland
COMPANY NUMBER	06680187 (England & Wales)
REGISTERED OFFICE	5th Floor Leconfield House Curzon Street London W1J 5JA

CSTI Investments Limited

DIRECTORS' REPORT

For the year ended 31 May 2013

The directors present their report and financial statements for the year ended 31 May 2013

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company was that of making investments which qualify for unwinding offset obligations. During the year the company invested further in the iNovia II-a Limited Partnership, a Canadian Limited partnership.

The company's loss for the year was £28,777 (2012 £68,388), the directors are satisfied with the company's position given the support of its ultimate shareholder.

DIRECTORS

The following directors have held office since 1 June 2012

Michael Watson
Julian Wheatland

AUDITORS

In accordance with the provision of Section 382 of the Companies Act 2006, the company being a small company within the meaning of the said section, Section 477 of the Companies Act 2006 shall apply and accordingly no auditors have been appointed.

On behalf of the board



Michael Watson
Director
14 February 2014

CSTI Investments Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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.

CSTI Investments Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2013

	Notes	2013 £	2012 £
Share of partnership loss	1	(34,023)	(66,680)
Other operating income/(expenses) (net)	2	5,246	(1,708)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,777)	(68,388)
Taxation	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	9	(28,777)	(68,388)

All amounts derive from continuing activities

CSTI Investments Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 May 2013

	Notes	2013 £	2012 £
Loss for the financial year		(28,777)	(68,388)
Unrealised gain in year generated by fixed asset investment	5	345,059	359,507
Total recognised gains and losses relating to the year		316,282	291,119

CSTI Investments Limited

BALANCE SHEET

As at 31 May 2013

Company registration No 06680187

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	5	2,941,576	2,408,954
CURRENT ASSETS			
Debtors	6	100	100
Cash at bank and in hand		249	1,341
NET CURRENT ASSETS		349	1,441
TOTAL ASSETS LESS CURRENT LIABILITIES		2,941,925	2,410,395
CREDITORS Amounts falling due after more than one year	7	(2,325,528)	(2,110,280)
NET ASSETS		616,397	300,115
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Revaluation reserve	9	1,194,355	601,162
Profit and loss account	9	(578,058)	(301,147)
SHAREHOLDERS' FUNDS	10	616,397	300,115

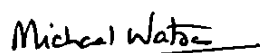
The company was entitled to exemption under Section 477 of the Companies Act 2006 for the year ended 31 May 2013. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The director acknowledges his responsibility for

- a ensuring the company keeps accounting records that comply with Section 386 of the Companies Act 2006,
- b preparing financial statements that give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit or loss for the financial year in accordance with Section 393 and which otherwise comply with the provisions of the Companies Act relating to financial statements in so far as they are applicable to the company.

The financial statements on pages 3 to 9 were approved by the board of directors and authorised for issue on 14 February 2014 and are signed on its behalf by



Michael Watson
Director

CSTI Investments Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements

GOING CONCERN

The directors have assessed the continuation and availability of support being provided by Mr V Tchenguiz, a related party, and have determined that the company has, or can expect to have, sufficient working capital for its needs for at least 12 months from the signing of the accounts. In view of this the directors consider it appropriate to prepare the accounts on the going concern basis

INVESTMENTS

Fixed asset investments in partnerships are stated at the cost of the company's capital investment and its share of the partnerships subsequent profits, losses and/or deficits. The company's share of the profits and losses realised by the partnership is recognised in the profit and loss account as partnership income/losses. The company's share of any unrealised gains or losses made by the partnership is taken to an investment revaluation reserve

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

Fixed asset investments financed by foreign currency loans are retranslated into sterling at the rate of exchange ruling at the balance sheet date

CASH FLOW STATEMENT

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS 1

CSTI Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

1	SHARE OF PARTNERSHIP LOSS	2013 £	2012 £
	Share of realised loss generated by the fixed asset investment	<u>(34,023)</u>	<u>(66,680)</u>
2	OTHER OPERATING (INCOME)/EXPENSES (NET)	2013 £	2012 £
	Administrative expenses	71	52
	Exchange (gains)/losses	<u>(5,317)</u>	<u>1,656</u>
		<u>(5,246)</u>	<u>1,708</u>
3	EMPLOYEES		
	There were no employees during the year apart from the directors, who received no emoluments		
4	TAXATION	2013 £	2012 £
	UK Corporation tax		
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(28,777)</u>	<u>(68,388)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012: 24.00%)	<u>(6,906)</u>	<u>(16,413)</u>
	Effects of		
	Tax losses carried forward/(utilised)	8,183	17,315
	Non taxable foreign currency gain	<u>(1,277)</u>	<u>(902)</u>
		<u>6,906</u>	<u>16,413</u>
	Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £364,021 (2012: £281,878) available for carry forward against future trading profits

The deferred tax asset arising on the losses carried forward has not been recognised as their utilisation in the foreseeable future is considered remote

CSTI Investments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

5 FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost or valuation	
At 1 June 2012	2,408,954
Additions	393,122
Distributions in year	(224,902)
Unrealised gains	345,059
Realised loss for the year	(34,023)
Foreign exchange translation	53,366
At 31 May 2013	2,941,576
At 31 May 2012	2,408,954

The unlisted investment represents an investment in a Canadian Limited Partnership. The entire fund is split into three subfunds. The company is a limited partner and at 31 May 2013 its capital contribution represented 46.51% (2012: 46.51%) of the members capital of one of the subfunds.

6 DEBTORS	2013 £	2012 £
Amounts owed by group undertakings	100	100

7 CREDITORS – amounts falling due after more than one year	2013 £	2012 £
Other creditors	2,325,528	2,110,280

The other creditors represent amounts due to V Tchenguiz, a related party, which are interest free, unsecured and have no set repayment date. V Tchenguiz has confirmed that he will not request repayment of this funding within 12 months of the signing of these accounts except on an earlier realisation of the company's investment, therefore it has been treated as falling due after more than one year.

8 SHARE CAPITAL	2013 £	2012 £
Allotted and issued		
Equity Shares		
100 Ordinary shares of £1 each	100	100

CSTI Investments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

9 RESERVES

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 June 2012	601,162	(301,147)
Loss for the year	-	(28,777)
Revaluation during the year	345,059	-
Reserve Transfer	248,134	(248,134)
Balance at 31 May 2013	<u>1,194,355</u>	<u>(578,058)</u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Loss for the financial year	(28,777)	(68,388)
Other recognised gains and losses	345,059	359,507
Net addition to shareholders' funds	<u>316,282</u>	<u>291,119</u>
Opening shareholders' funds	<u>300,115</u>	<u>8,996</u>
Closing shareholders' funds	<u>616,397</u>	<u>300,115</u>

11 CAPITAL COMMITMENTS

At 31 May 2013 the company was committed to further investments in the iNovia II-A, Limited Partnership of CAD 875,000 (2012 CAD 1,500,000) These committed amounts must be paid by the company at such times and in such amounts as the Partnership may determine

12 CONTROL

The company's immediate and ultimate holding company is Consensus Science, Technology and Innovation Limited, a company incorporated in England and Wales

The ultimate controlling party is Mr V Tchenguiz

13 RELATED PARTY TRANSACTIONS

At the balance sheet date, and included within other creditors is an interest free loan of £2,325,528 (2012 £2,110,280) denominated in Canadian dollars owed to Mr V Tchenguiz the company's ultimate controlling party Mr V Tchenguiz has confirmed that his funding will not be withdrawn for a period of at least 12 months after the signing of these accounts except on an earlier realisation of the company's investment Mr V Tchenguiz has also confirmed that should the company be unable to meet its capital commitments (see note 11) from its own resources or from external funding that he will provide the required funding

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 "Related Party Disclosures" and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group

CSTI Investments Limited

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2013

		Year Ended 31 May 2013 £	Year Ended 31 May 2012 £
	<i>Schedule</i>		
Other operating income/(expenses)	1	5,246	(1,708)
Partnership losses	2	(34,023)	(66,680)
Loss on ordinary activities before taxation		<u>(28,777)</u>	<u>(68,388)</u>

The detailed profit and loss account is supplementary to, but does not form part of, the statutory financial statements

CSTI Investments Limited

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2013

SCHEDULE	Year Ended 31 May 2013 £	Year Ended 31 May 2012 £
1 Other operating expenses		
Exchange (gains)/losses	(5,317)	1,656
Bank charges	71	52
	<u>(5,246)</u>	<u>1,708</u>
2 Partnership losses		
Share of loss by iNovia II-a Limited Partnership	(34,023)	(66,680)
	<u>(34,023)</u>	<u>(66,680)</u>