

Flamstead Investments Limited

**Directors' report and financial
statements**

Registered number 06891809

31 December 2013



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Company information

Directors	J P M Bosworth M Bosworth J A Hartshorn R L Hartshorn
Company secretary	E J Arrell
Company number	06891809
Registered office	Flamstead House Denby Hall Business Park Denby Derbyshire DE5 8JX
Auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ
Bankers	Lloyds TSB Bank plc Butt Dyke House 33 Park Row Nottingham NG1 6GY

Directors' report

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

Principal activity and review of the business

The principal activity of the company is that of a property company

Results

The profit for the year, after taxation, amounted to £17,790 (2012 £2,054)

Directors

The directors who served during the period were

J P M Bosworth
M Bosworth
J A Hartshorn
R L Hartshorn
E J Arrell

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the 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

Auditor

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

This report was approved by the board on 28 April 2014 and signed on its behalf by



R L Hartshorn
Director

Strategic report

The directors are pleased to report an increase in profitability during the year. The 2013 profit before tax is £47,365 (2012 £42,951)

The company's turnover in 2013 of £580,696 has increased by 8% on last year (2012 £539,319)

The company maintains a healthy balance sheet position with net assets £2,413,946 as shown on page 7

Principal risks and uncertainties

The principal risk to the business is change in property values and this is managed by monitoring equity/debt ratios

This report was approved by the board on 28 April 2014 and signed on its behalf by



R L Hartshorn
Director

Statement of directors' responsibilities in respect of the directors' report and the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Flamstead Investments Limited

We have audited the financial statements of Flamstead Investments Limited for the year ended 31 December 2013 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 4, 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 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 Strategic Report and the Directors' Reports 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.

Mark Flanagan (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

28 April 2014

Profit and loss account
for the year ended 31 December 2013

	<i>Note</i>	2013 £	2012 £
Turnover	2	580,696	539,319
Other operating charges		(61,512)	(43,568)
Depreciation		(141,495)	(132,684)
Operating profit	3	377,689	363,067
Interest payable	6	(330,324)	(320,116)
Profit on ordinary activities before taxation		47,365	42,951
Tax on profit on ordinary activities	7	(29,575)	(40,897)
Profit for the financial year	14	17,790	2,054

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis

Balance sheet
as at 31 December 2013

	<i>Note</i>	2013	2012
		£	£
Fixed assets			
Tangible fixed assets	8	6,911,516	6,509,974
Current assets			
Debtors amounts falling due within one year	9	140,839	201,513
Cash at bank and in hand		13,782	512,642
		<u>154,621</u>	<u>714,155</u>
Creditors amounts falling due within one year	10	<u>(640,051)</u>	<u>(643,702)</u>
Net current (liabilities)/assets		(485,430)	70,453
Total assets less current liabilities		6,426,086	6,580,427
Creditors amounts falling due after more than one year	11	(3,995,151)	(4,183,960)
Provisions for liabilities and charges	12	(16,989)	(311)
Net assets		<u>2,413,946</u>	<u>2,396,156</u>
Capital and reserves			
Called up share capital	13	2,453,100	2,453,100
Profit and loss account	14	(39,154)	(56,944)
Shareholders' funds	15	<u>2,413,946</u>	<u>2,396,156</u>

The financial statements were approved by the board of directors on 28 April 2014 and signed on their behalf by



R L Hartshorn
Director

Company registered number 06891809

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation of financial statements

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

Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

Going concern

The company is a member of a group which meets its working capital requirements through overdraft and invoice discounting facilities. Additionally the group is financed by bank loans and a combination of loans and equity provided by the directors and majority shareholders. The group directors have prepared forecasts which demonstrate that the group and company can operate within its existing facilities for the foreseeable future. On this basis the directors have prepared these financial statements on a going concern basis.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- no depreciation is provided
Freehold buildings	- 2.5% on cost

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2 Turnover

All turnover arises from the rental of properties held by the company and arose within the United Kingdom.

3 Operating profit

	2013 £	2012 £
<i>The operating profit is stated after charging/(crediting)</i>		
Depreciation of tangible fixed assets - owned by the company	141,495	132,684
<i>Auditor's remuneration</i>		
audit of these financial statements	2,500	3,533

Notes (continued)

4 Directors' remuneration

The directors received £10,350 remuneration for their services to the company with any other costs being borne by other group companies (2012 £10,000)

5 Staff costs

The company had two employees (2012 two) Wages and salaries for the year were £10,350 (2012 £10,000)

6 Interest payable

	2013 £	2012 £
On bank loans and overdrafts	305,797	314,287
On loans from group undertakings	24,527	5,829
	<u>330,324</u>	<u>320,116</u>

7 Taxation

Analysis of tax credit in the year

	2013 £	2012 £
<i>Current tax</i>		
UK corporation tax charge for the year	15,000	40,777
Adjustments in respect of prior years	(2,103)	7
	<u>12,897</u>	<u>40,784</u>
Deferred tax	16,678	113
	<u>29,575</u>	<u>40,897</u>

Factors affecting tax charge for the year

The tax charge for the year is higher (2012 higher) than the standard rate of corporation tax in the UK of 23.25% (2012 24.5%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	47,365	42,951
	<u>11,012</u>	<u>10,523</u>
Tax on profit on ordinary activities at the standard rate of 23.25% (2012 24.5%)		
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,808	177
Depreciation for the year in excess of capital allowances	14,245	32,319
Marginal relief	-	(2,242)
Group relief surrendered / (claimed)	(9,628)	-
Benefit of small companies rate band	(2,437)	-
Adjustments in respect of prior years	(2,103)	7
	<u>12,897</u>	<u>40,784</u>

Notes (continued)

7 Taxation (continued)

Factors that may affect future tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. Further reductions in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future tax rate accordingly.

8 Tangible fixed assets

	Freehold land and buildings £
<i>Cost</i>	
At 1 January 2013	6,885,931
Additions	543,037
	<hr/>
At 31 December 2013	7,428,968
	<hr/>
<i>Accumulated depreciation</i>	
At 1 January 2013	375,957
Charge for the year	141,495
	<hr/>
At 31 December 2013	517,452
	<hr/>
<i>Net book value</i>	
At 31 December 2013	6,911,516
	<hr/>
At 31 December 2012	6,509,974
	<hr/>

9 Debtors

	2013 £	2012 £
<i>Amounts falling due within one year</i>		
Owed by related party	140,000	140,000
Owed by group undertaking	403	-
Other debtors	436	61,513
	<hr/>	<hr/>
	140,839	201,513
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loans	456,594	443,645
Trade creditors	-	116,008
Corporation tax creditor	15,000	40,777
Amounts owed to group undertakings	153,806	25,947
Accruals and other creditors	14,651	17,325
	<u>640,051</u>	<u>643,702</u>

The two bank loans are secured by a mortgage on the freehold premises. These loans are repayable in equal quarterly instalments with the final repayment in 2022 and 2015, respectively, and incur interest at a rate of 7.95% over base rate and 2.5% above LIBOR, respectively.

11 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Bank loans	3,163,060	3,621,220
Amounts owed to group undertakings	832,091	562,740
	<u>3,995,151</u>	<u>4,183,960</u>

The bank loan is secured by a mortgage on the freehold properties.

	2013 £	2012 £
<i>Included above are amounts falling due as follows</i>		
Between one and two years	456,594	443,645
Between two and five years	1,265,082	1,330,935
Over five years	1,441,384	1,846,640
	<u>1,441,384</u>	<u>1,846,640</u>

12 Deferred taxation

	2013 £	2012 £
At beginning of year	311	198
Charge for the year	16,678	113
	<u>16,989</u>	<u>311</u>
At end of year	16,989	311
	<u>16,989</u>	<u>311</u>
Accelerated capital allowances	16,989	311
	<u>16,989</u>	<u>311</u>

Notes (continued)

13 Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
2,453,100 ordinary shares of £1 each	2,453,100	2,453,100

14 Profit and loss account

	2013 £	2012 £
Balance brought forward	(56,944)	(58,998)
Profit for the year	17,790	2,054
Balance carried forward	(39,154)	(56,944)

15 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit for the year	17,790	2,054
Net movement in shareholders' funds	17,790	2,054
Opening shareholders' funds	2,396,156	2,394,102
Closing shareholders' funds	2,413,946	2,396,156

16 Capital commitments

At 31 December 2013 the company had capital commitments as follows

	2013 £	2012 £
Contracted for but not provided in these financial statements	-	412,916

17 Related party transactions

Advantage has been taken of the exemption provided by FRS 8 not to disclose transactions with fellow group companies as consolidated financial statements are prepared for the group and are publicly available

In September 2012 a portion of land on the Denby site was sold at cost for £116,667 to Garner Investments LLP, a company owned by Mr & Mrs Hartshorn. The amount of £140,000 (including VAT at 20%) remains outstanding as at 31 December 2013

18 Ultimate parent undertaking and controlling party

The parent undertaking of the largest and smallest groups for which consolidated financial statements are prepared is Flamstead Holdings Limited, a company registered in England and Wales. Consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ

The company is controlled by R Hartshorn and M Bosworth who are directors of both Flamstead Investments Limited and Flamstead Holdings Limited and shareholders in Flamstead Holdings Limited