

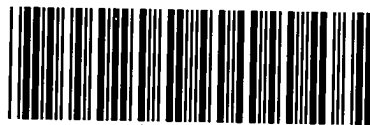
Flamstead Investments Limited

**Directors' report and financial
statements**

Registered number 06891809

31 December 2014

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Company information

Directors

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

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 2014.

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 £15,158 (2013: £17,790).

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 21 April 2015 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 2014 profit before tax is £137,595 (2013: £47,365).

The company's turnover in 2014 of £635,035 has increased by 9% on last year (2013: £580,696).

The company maintains a healthy balance sheet position with net assets £2,429,104 (2013: £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 21 April 2015 and signed on its behalf by:



R L Hartshorn
Director

Statement of directors' responsibilities in respect of the directors' report, the strategic report and the financial statements

The directors are responsible for preparing the Directors' Report, the Strategic 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 2014 set out on pages 6 to 13. 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 2014 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

21 April 2015

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £	2013 £
Turnover	2	635,035	580,696
Other operating charges		(73,702)	(61,512)
Depreciation		(155,376)	(141,495)
		<hr/>	<hr/>
Operating profit	3	405,957	377,689
Interest payable	6	(268,362)	(330,324)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		137,595	47,365
Tax on profit on ordinary activities	7	(122,437)	(29,575)
		<hr/>	<hr/>
Profit for the financial year	15	15,158	17,790
		<hr/> <hr/>	<hr/> <hr/>

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 2014

	Note	2014		2013	
		£	£	£	£
Fixed assets					
Tangible fixed assets	8	6,831,573		6,911,516	
Investment properties	9	238,492		-	
		<u>7,070,065</u>		<u>6,911,516</u>	
Current assets					
Debtors: amounts falling due within one year	10	112,622		140,839	
Cash at bank and in hand		23,142		13,782	
		<u>135,764</u>		<u>154,621</u>	
Creditors: amounts falling due within one year	11	<u>(1,117,556)</u>		<u>(640,051)</u>	
Net current liabilities		<u>(981,792)</u>		<u>(485,430)</u>	
Total assets less current liabilities		<u>6,088,273</u>		<u>6,426,086</u>	
Creditors: amounts falling due after more than one year	12	<u>(3,638,181)</u>		<u>(3,995,151)</u>	
Provisions for liabilities and charges	13	<u>(20,988)</u>		<u>(16,989)</u>	
Net assets		<u><u>2,429,104</u></u>		<u><u>2,413,946</u></u>	
Capital and reserves					
Called up share capital	14	2,453,100		2,453,100	
Profit and loss account	15	<u>(23,996)</u>		<u>(39,154)</u>	
Shareholders' funds	16	<u><u>2,429,104</u></u>		<u><u>2,413,946</u></u>	

The financial statements were approved by the board of directors on 21 April 2015 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

Investment property

Investment properties are interests in land and buildings held for their investment potential with income to the company arising from the rental of such properties and capital appreciation.

Investment properties are included in the balance sheet at their open market value and are not subject to depreciation.

Formal valuations by an independent qualified surveyor are carried out every 5 years or when the directors consider that a significant change in valuation could reasonably have arisen. At intervening period ends the valuation is determined by the directors.

Changes in the valuation of investment properties are taken to the statement of total recognised gains and losses and recognised in an investment revaluation reserve within capital and reserves on the balance sheet.

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.

Notes (continued)

3 Operating profit

	2014 £	2013 £
<i>The operating profit is stated after charging/(crediting):</i>		
Depreciation of tangible fixed assets - owned by the company	155,376	141,495
<i>Auditor's remuneration</i>		
audit of these financial statements	2,600	2,500
	<u>2,600</u>	<u>2,500</u>

4 Directors' remuneration

The directors received £15,000 remuneration for their services to the company with any other costs being borne by other group companies (2013: £10,350).

5 Staff costs

The company had two employees (2013: two).

	2014 £	2013 £
<i>Staff costs, including directors' remuneration, were as follows:</i>		
Wages and salaries	15,000	10,350
Social security costs	224	-
	<u>15,224</u>	<u>10,350</u>

6 Interest payable

	2014 £	2013 £
On bank loans and overdrafts	240,536	305,797
On loans from group undertakings	27,826	24,527
	<u>268,362</u>	<u>330,324</u>

7 Taxation

Analysis of tax credit in the year

	2014 £	2013 £
<i>Current tax:</i>		
UK corporation tax charge for the year	118,438	15,000
Adjustments in respect of prior years	-	(2,103)
	<u>118,438</u>	<u>12,897</u>
Deferred tax	3,999	16,678
	<u>122,437</u>	<u>29,575</u>

Notes (continued)

7 Taxation (continued)

Factors affecting tax charge for the year

The tax charge for the year is higher (2013: *higher*) than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	137,595	47,365
Tax on profit on ordinary activities at the standard rate of 21.49% (2013: 23.25%)	29,574	11,012
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2,312	1,808
Capital allowances for the year less than of depreciation	28,099	14,245
Group relief surrendered / (claimed)	58,453	(9,628)
Benefit of small companies rate band	-	(2,437)
Adjustments in respect of prior years	-	(2,103)
Current tax charge for the year	118,438	12,897

Factors that may affect future tax charges

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

Reductions in the UK corporation tax rate from 23% 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. The deferred tax liability as at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8 Tangible fixed assets

	Freehold land and buildings £
<i>Cost:</i>	
At 1 January 2014	7,428,968
Additions	75,433
At 31 December 2014	7,504,401
<i>Accumulated depreciation:</i>	
At 1 January 2014	517,452
Charge for the year	155,376
At 31 December 2014	672,828
<i>Net book value:</i>	
At 31 December 2014	6,831,573
At 31 December 2013	6,911,516

Notes (continued)

9 Investment Properties

	Freehold Property £
<i>Cost:</i>	
At 1 January 2014	-
Additions	238,492
	<hr/>
At 31 December 2014	238,492
	<hr/>
<i>Net book value:</i>	
At 31 December 2014	238,492
	<hr/> <hr/>
At 31 December 2013	-
	<hr/> <hr/>

10 Debtors

	2014 £	2013 £
<i>Amounts falling due within one year:</i>		
Owed by related party	112,000	140,000
Owed by group undertaking	622	403
Other debtors	-	436
	<hr/>	<hr/>
	112,622	140,839
	<hr/> <hr/>	<hr/> <hr/>

11 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loans	683,906	456,594
Trade creditors	12,910	-
Corporation tax creditor	118,438	15,000
Amounts owed to group undertakings	259,216	153,806
Accruals and other creditors	43,086	14,651
	<hr/>	<hr/>
	1,117,556	640,051
	<hr/> <hr/>	<hr/> <hr/>

An additional bank loan was drawn in September 2014 for the purchase of the investment property. This loan and the pre-existing bank loans are secured by a mortgage on the freehold premises. The new loan is repayable in equal monthly instalments with the final repayment in 2019, and incurs an interest rate of 2% over base rate. The pre-existing 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.

Notes (continued)

12 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Bank loans	2,629,086	3,163,060
Amounts owed to group undertakings	1,009,095	832,091
	<u>3,638,181</u>	<u>3,995,151</u>

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

	2014 £	2013 £
<i>Included above are amounts falling due as follows:</i>		
Between one and two years	383,813	456,594
Between two and five years	1,240,890	1,265,082
Over five years	1,004,383	1,441,384
	<u>2,629,086</u>	<u>3,163,060</u>

13 Deferred taxation

	2014 £	2013 £
At beginning of year	16,989	311
Charge for the year	3,999	16,678
	<u>20,988</u>	<u>16,989</u>
At end of year	£	£
Accelerated capital allowances	20,988	16,989
	<u>20,988</u>	<u>16,989</u>

14 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid:</i>		
2,453,100 ordinary shares of £1 each	2,453,100	2,453,100
	<u>2,453,100</u>	<u>2,453,100</u>

15 Profit and loss account

	2014 £	2013 £
Balance brought forward	(39,154)	(56,944)
Profit for the year	15,158	17,790
	<u>(23,996)</u>	<u>(39,154)</u>
Balance carried forward	(23,996)	(39,154)

Notes (continued)

16 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit for the year	15,158	17,790
Net movement in shareholders' funds	15,158	17,790
Opening shareholders' funds	2,413,946	2,396,156
Closing shareholders' funds	2,429,104	2,413,946

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 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. This debt was transferred to Garner Properties Limited on 30 June 2014. The amount of £112,000 (including VAT at 20%) remains outstanding as at 31 December 2014.

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.