AMENDING

First Sight Estates Limited

Directors' report and financial statements

Registered number 07065391

31 December 2012

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company is property development

Business review

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

Proposed dividend

The directors do not recommend the payment of a dividend

Directors

The directors who held office during the year were as follows

RJG Davies
JDR Fothergill
AE McDonough (resigned 15 March 2012)
JP Pickering
JE Viazzani (appointed 16 April 2012, resigned 3 January 2013)

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

By order of the board

JDR Fothergill
Director

Cleveland House
Norton Road
Stockton on Tees
Cleveland
TS20 2AQ

27 September 2013

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 judgements 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 transaction 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

KPMG

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of First Sight Estates Limited

We have audited the financial statements of First Sight Estates Limited for the year ended 31 December 2012 set out on pages 5 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)

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

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 2012 and of its loss 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of First Sight Estates Limited *(continued)*

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

Paul Moran

Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

27 September 2013

Profit and loss account
for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover		**22,012**	13,477
Gross profit		**22,012**	13,477
Administrative expenses		**(916,897)**	(703,227)
Operating loss		**(894,885)**	(689,750)
Interest receivable and similar income	*5*	**169**	237
Interest payable and similar charges	*6*	**(25)**	(400)
Loss on ordinary activities before taxation	*2-6*	**(894,741)**	(689,913)
Tax on loss on ordinary activities	*7*	**193,530**	820,975
(Loss)/profit for the financial period	*13*	**(701,211)**	131,062

All results derive from continuing operations

There were no gains or losses other than the result for the period

Balance sheet
at 31 December 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	8		**4,646,505**		2,896,762
Current assets					
Debtors	9	**1,818,209**		2,076,400	
Cash		**2,402**		33,622	
		1,820,611		2,110,022	
Creditors: amounts falling due within one year	10	**(6,675,173)**		(5,134,608)	
Net current liabilities			**(4,854,562)**		(3,024,586)
Net liabilities			**(208,057)**		(127,824)
Capital and reserves					
Called up share capital	12		**1**		1
Capital contribution reserve	13		**620,978**		-
Profit and loss account	13		**(829,036)**		(127,825)
Shareholders' deficit			**(208,057)**		(127,824)

These financial statements were approved by the board of directors on 27 September 2013 and were signed on its behalf by

JP Pickering
Director

Company registered number 07065391

Reconciliation of movements in shareholders' deficit
for the year ended 31 December 2012

	2012 £	2011 £
(Loss)/profit for the financial period	**(701,211)**	131,062
Capital contribution	**620,978**	-
Net (addition to)/reduction in shareholders' deficit	**(80,233)**	131,062
Opening shareholders' deficit	**(127,824)**	(258,886)
Closing shareholders' deficit	**(208,057)**	(127,824)

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published financial statements

As 100% of the company's voting rights are controlled within the group headed by Kiplun Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

Going concern

The company is subject to cross guaranteed banking arrangements with other group undertakings The company is also reliant on the continued financial support of group undertakings to meet its liabilities as they fall due The company has received assurance from Kiplun Limited that it will continue to make sufficient funds available to the company for the next 12 months following approval of these financial statements, and thereafter for the foreseeable future, to allow the company to meet its liabilities as they fall due and will not seek repayment of amounts currently made available to the company by group undertakings

The Group meets its day-to-day working capital requirements through operating cash flows, overdraft and bank loan facilities The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group is expected to have a sufficient level of financial resources available through facilities agreed and expected to be agreed when these fall due for renewal

The Group's banking facilities fell due for renewal towards the end of 2012 These were renewed based upon the Group's future anticipated funding needs with a new bank term loan facility of £3 0m combined with an annual overdraft facility At the year end the Group's overdraft was £6 3m and the Group also had cash at bank of £3 0m Only £0 5m of the bank term loans are due within one year, the balance is due between two and five years

After considering the above issues in detail, the directors consider and have concluded that the Company will have adequate resources to continue in operational existence for the foreseeable future For these reasons they continue to adopt a going concern basis in the preparation of the financial statements

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated realisable value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Fixtures and fittings	10% straight line
Plant and machinery	10% straight line
Motor vehicles	20% straight line
Freehold buildings	10% straight line

Notes *(continued)*

1 Accounting policies *(continued)*

Depreciation on assets in the course of construction commences when the assets are available for use

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers

Turnover represents the amounts receivable in the ordinary course of business from the provision of goods and services to customers Turnover is measured at the fair value of the right to consideration net of sales related rebates, discounts and value added tax

The company recognises revenue at the point of despatch of goods and for services when they have been provided Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers

Notes *(continued)*

2 Notes to the profit and loss account

	2012 £	2011 £
Auditors' remuneration		
Audit of these financial statements	**7,375**	7,375

3 Remuneration of directors

No remuneration was paid to the directors by the company during the current year or preceding period

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	Number of employees 2012	2011
Directors	**4**	5
Administration	**7**	3
	11	8

The aggregate payroll costs of these persons as follows

	2012 £	2011 £
Wages and salaries	**211,943**	220,853
Social security costs	**17,761**	21,452
	229,704	242,305

5 Interest receivable and similar income

	2012 £	2011 £
Bank interest receivable	**169**	237

6 Interest payable and similar charges

	2012 £	2011 £
Bank interest payable	**25**	400

Notes *(continued)*

7 Taxation

Analysis of credit in period

	2012		2011	
UK corporation tax	£	£	£	£
Current tax on income for the period			-	
Group relief received in respect of current year	**(193,530)**		(621,082)	
Group relief received in respect of prior periods	-		(199,893)	
Total current tax		**(193,530)**		(820,975)
Deferred tax (see note 11)				
Origination/reversal of timing differences	-		(9,185)	
Effect of decreased tax rate	-		(735)	
Adjustments in respect of prior periods	-		9,920	
Total deferred tax		-		-
Tax on loss on ordinary activities		**(193,530)**		(820,975)

Factors affecting the tax credit for the current year

The current tax credit for the year is lower *(2011 higher)* than the standard rate of corporation tax in the UK, 24 50% (2011 26 49%) The differences are explained below

	2012	2011
	£	£
Current tax reconciliation		
Loss on ordinary activities before tax	**(894,741)**	(689,913)
Current tax at 24 50% (2011 26 49%)	**(219,187)**	(182,757)
Effects of		
Expenses not deductable for tax purposes	**15,353**	10,200
Group relief surrendered	**193,530**	164,544
Consideration receivable for group relief	**(193,530)**	(621,082)
Chargeable gains	**6,002**	-
Capital allowances for year lower than depreciation	**4,302**	8,013
Adjustments in respect of prior periods – consideration receivable for group relief	-	(199,893)
Total current tax credit (see above)	**(193,530)**	(820,975)

Factors that may affect future current and total tax charges

The company has trading losses of £12,388 (*2011 £12,388*) available to offset against future trading profit

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions 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 current tax charge accordingly and reduce the unrecognised deferred tax asset at 31 December 2012 (which has been calculated based on the rate of 23% substantively enacted at the balance sheet date) by £1,800

The company has surrendered 2012 UK corporation tax losses to group undertakings The amount of tax saved for group undertakings has been reflected in the 2012 tax credit and the remainder has been classified as a receipt from another group company

Notes *(continued)*

8 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Assets under the course of construction £	Total £
Cost						
At beginning of year	-	-	-	-	2,896,762	2,896,762
Additions	70,693	1,791,130	-	9,000	-	1,870,823
Transfers	1,268,985	1,580,212	13,065	34,500	(2,896,762)	-
At end of year	**1,339,678**	**3,371,342**	**13,065**	**43,500**	**-**	**4,767,585**
Depreciation						
At beginning of year	-	-	-	-	-	-
Charge for year	13,426	94,500	1,498	11,656	-	121,080
Transfers	-	-	-	-	-	-
At end of year	**13,426**	**94,500**	**1,498**	**11,656**	**-**	**121,080**
Net book value						
At 31 December 2012	**1,326,252**	**3,276,842**	**11,567**	**31,844**	**-**	**4,646,505**
At 1 January 2012	-	-	-	-	2,896,762	2,896,762

9 Debtors

	2012 £	2011 £
Other debtors	**182,726**	85,328
Prepayments	**-**	11,149
Amounts owed by group undertakings	**1,635,483**	1,979,923
	1,818,209	2,076,400

10 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	**325,691**	180,099
Amounts owed to group undertakings	**6,345,024**	4,945,339
Accruals	**4,458**	9,170
	6,675,173	5,134,608

Amounts owed to group undertakings have no fixed repayment date

Notes *(continued)*

11 Deferred taxation

The elements of deferred taxation are as follows

	2012 £	2011 £
Difference between accumulated depreciation and capital allowances	**10,995**	7,561
Tax losses	**2,849**	3,097
Deferred tax asset	**13,844**	10,658
Unrecognised	**(13,844)**	(10,658)
	-	-

The deferred tax asset of £13,844 (*2011 £10,658*) has not been recognised due to uncertainty over the timing of its future recovery

12 Called up share capital

	2012 £	2012 £
Authorised, allotted, called up and fully paid		
1 ordinary share of £1	1	1

13 Reserves

	Capital contribution reserve £	Profit and loss account £
At beginning of period	-	(127,825)
Loss for the period	-	(701,211)
Capital contribution (note 7)	620,978	-
At end of period	**620,978**	**(829,036)**

14 Contingent liabilities

The company, together with its parent and fellow subsidiary undertakings has entered into a composite banking arrangement to secure group interest and banking facilities As part of this arrangement a cross guarantee was given to the bank by the company

At the year end aggregate group borrowings guaranteed by the company but not provided for in these financial statements amounted to £6,776,004 (*2011 £4,479,372*)

These facilities are secured against certain individual assets across various companies within the group

Notes *(continued)*

15 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Kiplun Europe BV, incorporated in the Netherlands The ultimate parent company is Kiplun Limited, incorporated in England and Wales

The only group in which the results of the company are consolidated is that headed by Kiplun Limited The consolidated financial statements of Kiplun Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ

The ultimate controlling party of Kiplun Limited is JDR Fothergill, MA, MBA, Chairman and Managing Director