

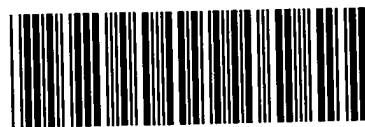
**First Sight Estates Limited**

**Directors' report and financial  
statements**

**Registered number 07065391**

**31 December 2013**

TUESDAY



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## Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	2
Independent auditor's report to the members of First Sight Estates Limited	3
Profit and loss account	5
Balance sheet	6
Reconciliation of movements in shareholders' funds/(deficit)	7
Notes	8

## Directors' report

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

The directors have taken advantage of the small companies exemption in preparing the Directors' report and in not preparing a Strategic report.

### 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  
JP Pickering  
JE Viazzani (resigned 3 January 2013)

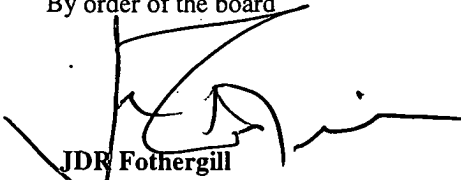
### Disclosure of information to auditor

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

29 September 2014

## **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 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 2013 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](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 2013 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report and in not preparing a strategic report.



**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

29 September 2014

**Profit and loss account**  
*for the year ended 31 December 2013*

	<i>Note</i>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Turnover</b>		<b>211,769</b>	<b>22,012</b>
Cost of sales		(114,222)	-
<b>Gross profit</b>		<b>97,547</b>	<b>22,012</b>
Administrative expenses		(1,087,634)	(916,897)
<b>Operating loss</b>		<b>(990,087)</b>	<b>(894,885)</b>
Interest receivable and similar income	5	99	169
Interest payable and similar charges	6	(11)	(25)
<b>Loss on ordinary activities before taxation</b>	2-6	<b>(989,999)</b>	<b>(894,741)</b>
Tax on loss on ordinary activities	7	220,504	193,530
<b>Loss for the financial year</b>	14	<b>(769,495)</b>	<b>(701,211)</b>

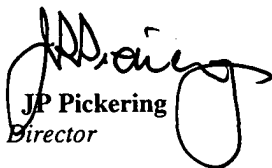
All results derive from continuing operations.

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

**Balance sheet**  
*at 31 December 2013*

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	8	4,611,827	4,646,505
<b>Current assets</b>			
Stock		10,464	-
Debtors	10	3,043,332	1,818,209
Cash		1,059	2,402
		<u>3,054,855</u>	<u>1,820,611</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(7,490,770)</u>	<u>(6,675,173)</u>
<b>Net current liabilities</b>		(4,435,915)	(4,854,562)
<b>Provision for liabilities</b>	12	(98,970)	-
<b>Net assets/(liabilities)</b>		<u>76,942</u>	<u>(208,057)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Capital contribution reserve	14	1,675,472	620,978
Profit and loss account	14	(1,598,531)	(829,036)
<b>Shareholders' funds/(deficit)</b>		<u>76,942</u>	<u>(208,057)</u>

These financial statements were approved by the board of directors on 29 September 2014 and were signed on its behalf by:

  
JP Pickering  
Director

Company registered number: 07065391



**Reconciliation of movements in shareholders' funds/(deficit)**  
*for the year ended 31 December 2013*

	2013 £	2012 £
Loss for the financial period	(769,495)	(701,211)
Capital contribution	1,054,494	620,978
	<hr/>	<hr/>
Net addition to/(reduction in) shareholders' funds	284,999	(80,233)
Opening shareholders' deficit	(208,057)	(127,824)
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	76,942	(208,057)
	<hr/>	<hr/>

## 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 bank overdraft is a rolling facility which is due for review in early 2015 when the directors anticipate that this will continue under the same terms. At the year end the Group's overdraft was £5.4m and the Group also had cash at bank of £2.6m. Only £0.4m 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

	2013 £	2012 £
<i>Auditors' remuneration:</i>		
Audit of these financial statements	<u>7,375</u>	<u>7,375</u>

### 3 Remuneration of directors

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

### 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 2013	2012
Directors	4	4
Administration	9	7
	<u>13</u>	<u>11</u>

The aggregate payroll costs of these persons as follows:

	2013 £	2012 £
Wages and salaries	185,520	211,943
Social security costs	13,954	17,761
	<u>199,474</u>	<u>229,704</u>

### 5 Interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	<u>99</u>	<u>169</u>

### 6 Interest payable and similar charges

	2013 £	2012 £
Bank interest payable	<u>11</u>	<u>25</u>

## Notes (continued)

### 7 Taxation

#### Analysis of credit in period

	2013 £	£	2012 £	£
<i>UK corporation tax</i>				
Group relief received in respect of current year	(319,378)		(193,530)	
Group relief received in respect of prior periods	(96)		-	
	<hr/>		<hr/>	
Total current tax		(319,474)		(193,530)
<i>Deferred tax (see note 12)</i>				
Origination/reversal of timing differences	101,447		-	
Tax losses carried forward and other deductions	(2,477)		-	
Adjustments in respect of prior periods			-	
	<hr/>		<hr/>	
Total deferred tax		98,970		-
		<hr/>		<hr/>
Tax on loss on ordinary activities		(220,504)		(193,530)
		<hr/>		<hr/>

#### Factors affecting the tax credit for the current year

The current tax credit for the year is higher (2012: lower) than the standard rate of corporation tax in the UK, 23.25% (2012: 24.50%). The differences are explained below.

	2013 £	2012 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(989,999)	(894,741)
	<hr/>	<hr/>
Current tax at 23.25% (2012: 24.50%)	(230,174)	(219,187)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	39,854	15,353
Group relief surrendered	319,378	193,530
Consideration receivable for group relief	(319,378)	(193,530)
Chargeable gains	-	6,002
Capital allowances for year lower than depreciation	(129,058)	4,302
Adjustments in respect of prior periods	(96)	-
	<hr/>	<hr/>
Total current tax credit (see above)	(319,474)	(193,530)
	<hr/>	<hr/>

#### Factors that may affect future current and total tax charges

The company has trading losses of £12,388 (2012: £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. The deferred tax liability at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

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

## Notes (continued)

### 8 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At beginning of year	1,339,678	3,371,342	13,065	43,500	4,767,585
Additions	2,648	238,810	-	12,000	253,458
	<u>1,342,326</u>	<u>3,610,152</u>	<u>13,065</u>	<u>55,500</u>	<u>5,021,043</u>
<b>Depreciation</b>					
At beginning of year	13,426	94,500	1,498	11,656	121,080
Charge for year	35,894	236,688	1,498	14,056	288,136
	<u>49,320</u>	<u>331,188</u>	<u>2,996</u>	<u>25,712</u>	<u>409,216</u>
<b>Net book value</b>					
At 31 December 2013	<u>1,293,006</u>	<u>3,278,964</u>	<u>10,069</u>	<u>29,788</u>	<u>4,611,827</u>
At 1 January 2013	<u>1,326,252</u>	<u>3,276,842</u>	<u>11,567</u>	<u>31,844</u>	<u>4,646,505</u>

### 9 Stock

	2013 £	2012 £
Finished goods and goods for resale	<u>10,464</u>	<u>-</u>

### 10 Debtors

	2013 £	2012 £
Trade debtors	24	-
Other debtors	33,857	182,726
Amounts owed by group undertakings	3,009,451	1,635,483
	<u>3,043,332</u>	<u>1,818,209</u>

## Notes (continued)

### 11 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	121,973	325,691
Amounts owed to group undertakings	7,309,420	6,345,024
Deferred income and accruals	59,377	4,458
	<u>7,490,770</u>	<u>6,675,173</u>

Amounts owed to group undertakings have no fixed repayment date.

### 12 Provision for liabilities

The elements of deferred taxation are as follows:

	2013 £	2012 £
Difference between accumulated depreciation and capital allowances	(101,447)	10,995
Tax losses	2,477	2,849
	<u>(98,970)</u>	<u>13,844</u>
Deferred tax (liabilities)/asset	(98,970)	13,844
Unrecognised	-	(13,844)
	<u>(98,970)</u>	<u>-</u>

The movement in the year is as follows:

	£
At beginning of year	-
Credit in profit and loss account (note 7)	98,970
	<u>98,970</u>
At end of year	<u>98,970</u>

### 13 Called up share capital

	2013 £	2013 £
<i>Authorised, allotted, called up and fully paid</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

## Notes (continued)

### 14 Reserves

	Capital contribution reserve £	Profit and loss account £
At beginning of year	620,978	(829,036)
Loss for the year	-	(769,495)
Capital contribution (note 7)	1,054,494	-
	<hr/>	<hr/>
At end of year	1,675,472	(1,598,531)
	<hr/>	<hr/>

### 15 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 £5,348,492 (2012: £6,776,004).

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

### 16 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.