

REGISTERED NUMBER: 07125033 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014  
FOR  
BROOKSHIRE TRADING LIMITED**

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FOR THE YEAR ENDED 31ST MARCH 2014**

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**BROOKSHIRE TRADING LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MARCH 2014**

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**DIRECTORS:**

D E Johnson  
N A Taylor  
A J F Wildman

**REGISTERED OFFICE:**

Cayzer House  
30 Buckingham Gate  
London  
SW1E 6NN

**REGISTERED NUMBER:**

07125033 (England and Wales)

**AUDITORS:**

KPMG LLP  
15 Canada Square  
London E14 5GL

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2014**

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The directors present their report with the financial statements of the company for the year ended 31st March 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of trading in commercial property. Property is bought and sold in the ordinary course of business. During the time that property is held for sale incidental rental income may be generated which is recognised as revenue.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2013 to the date of this report.

D E Johnson

N A Taylor

A J F Wildman

**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 IFRSs as adopted by the EU 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

KPMG Audit Plc resigned as auditor on 9 July 2014 pursuant to section 516 of the Companies Act 2006. On 11 July 2014 the Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485 (3) of the Companies Act 2006. KPMG LLP has indicated its willingness to continue in office and a resolution to re-appoint it will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



A J F Wildman

Director

7 August 2014

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROOKSHIRE TRADING LIMITED

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We have audited the financial statements of Brookshire Trading Limited for the year ended 31 March 2014 set out on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 31st March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

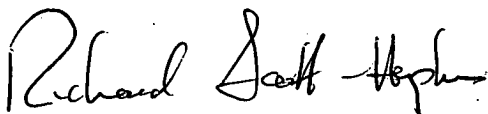
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial 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; or



**Richard Scott-Hopkins**  
for and on behalf of KPMG Audit Plc

*Chartered Accountants*

15 Canada Square

London

E14 5GL

7 August 2014

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2014**

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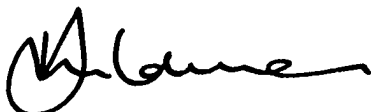
	Notes	Year ended 2014 £	Year ended 2013 £
<b>CONTINUING OPERATIONS</b>			
Revenue		445,559	174,270
Cost of sales		<u>(229,239)</u>	<u>(5,482)</u>
<b>GROSS PROFIT</b>		216,320	168,788
Investment income		416	370
Administrative expenses		<u>(112,842)</u>	<u>(94,729)</u>
<b>OPERATING PROFIT</b>		103,894	74,429
Finance costs	4	<u>(24,887)</u>	<u>(29,972)</u>
<b>PROFIT BEFORE TAX</b>		79,007	44,457
Income tax	5	<u>(15,802)</u>	<u>(6,045)</u>
<b>PROFIT FOR THE YEAR</b>		63,205	38,412
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>63,205</u></u>	<u><u>38,412</u></u>

The notes from page 8 to 14 form part of these financial statements

**STATEMENT OF FINANCIAL POSITION  
AS AT 31ST MARCH 2014**

	Notes	2014 £	2013 £
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories	6	1,350,705	1,574,914
Trade and other receivables	7	465	14,399
Other financial assets	8	572	616
Cash and cash equivalents	9	46,454	51,931
		<u>1,398,196</u>	<u>1,641,860</u>
<b>TOTAL ASSETS</b>		<u>1,398,196</u>	<u>1,641,860</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	11	1	1
Retained earnings	12	103,684	40,479
<b>TOTAL EQUITY</b>		<u>103,685</u>	<u>40,480</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	13	722,245	747,573
Deferred tax liabilities	14	5,895	5,895
		<u>728,140</u>	<u>753,468</u>
<b>Current liabilities</b>			
Trade and other payables	15	528,569	836,854
Borrowings	13	22,000	11,000
Tax payable		15,802	58
		<u>566,371</u>	<u>847,912</u>
<b>TOTAL LIABILITIES</b>		<u>1,294,511</u>	<u>1,601,380</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,398,196</u>	<u>1,641,860</u>

The financial statements were approved by the Board of Directors on 7 August 2014 and were signed on its behalf by:



.....  
A J F Wildman  
Director

The notes from page 8 to 14 form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2014**

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	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>Balance at 31st March 2012</b>	1	2,067	2,068
Profit for the year	-	<u>38,412</u>	<u>38,412</u>
<b>Balance at 31st March 2013</b>	<u>1</u>	<u>40,479</u>	<u>40,480</u>
Profit for the year	-	<u>63,205</u>	<u>63,205</u>
<b>Balance at 31st March 2014</b>	<u>1</u>	<u>103,684</u>	<u>103,685</u>

The notes from page 8 to 14 form part of these financial statements

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2014**

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		Year ended 2014 £	Year ended 2013 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	33,177	(15,267)
Interest paid		<u>(22,570)</u>	<u>(24,597)</u>
Net cash from operating activities		<u>10,607</u>	<u>(39,864)</u>
 <b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(16,500)	-
Payment of debt issue costs		-	-
Interest received		<u>416</u>	<u>370</u>
Net cash from financing activities		<u>(16,084)</u>	<u>370</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(5,477)</b>	<b>(39,494)</b>
<b>Cash and cash equivalents at beginning of year</b>		<u>51,931</u>	<u>91,425</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>46,454</u></u>	<u><u>51,931</u></u>

The notes from page 8 to 14 form part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2014**

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**1. ACCOUNTING POLICIES**

Brookshire Trading Limited (the “company”) is a company incorporated in the United Kingdom.

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as adopted for use in the EU and therefore the financial statements comply with Article 4 of the EU IAS Regulations. IFRSs comprise accounting standards issued by the International Accounting Standards Board (‘IASB’) and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (‘IFRIC’) and its predecessor body.

In the current year, the company has adopted the following standards.

- IFRS 10 ‘Consolidated Financial Statements’
- IFRS 11 ‘Joint Arrangements’
- IFRS 12 ‘Disclosures of Interests in Other Entities’
- IFRS 13 ‘Fair Value Measurement’
- IAS 27 ‘Separate Financial Statements’
- IAS 28 ‘Investments in Associates and Joint Ventures’

At the date of authorisation of these financial statements, the following Standards, which have not been applied in these financial statements, were in issue but not yet effective.

- IFRS 9 ‘Financial Instruments’

The directors anticipate that the adoption of this Standard in future periods will have no material impact on the financial statements of the company.

**Measurement convention**

The financial statements are prepared on the historical cost basis.

**Going concern**

The directors, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

**Receivables**

Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is based on the latest cost principle on the basis that inventory valuations based on first in first out compared to latest cost are negligible. Valuation includes expenditure incurred in acquiring the inventories and bringing them to their location and condition.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2014**

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**Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

**Cash and cash equivalents**

Cash comprises cash on hand and demand deposits.

**Impairment**

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Turnover, which this year is derived wholly from continuing activities, represents the amounts derived from the provision of goods and services which fall within the company's ordinary trading activities, stated net of VAT. Turnover is attributable to one geographical market, the United Kingdom.

**Expenses**

All expenses are accounted for on an accruals basis.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient profits will be available to allow all or part of the assets to be recovered.

**Derivative financial instruments**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

**Critical accounting judgements and key sources of estimation uncertainty**

There were no critical accounting judgements or sources of estimation uncertainty affecting the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2014**

**2. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31st March 2014 or for the year ended 31st March 2013.

	Year ended 2014	Year ended 2013
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

**3. OPERATING LEASES**

**Leases as lessor**

The company leases out commercial property under operating leases. The future minimum lease payments under non-cancellable leases were as follows:

	Year ended 2014	Year ended 2013
	£	£
Less than one year	130,039	100,998
Between one and five years	116,171	122,251
Greater than five years	<u>-</u>	<u>-</u>
Total lease payments	<u>246,210</u>	<u>223,249</u>

**Leases as lessee**

The company had not entered into any lease agreements as lessee.

**4. FINANCE COSTS**

	Year ended 2014	Year ended 2013
	£	£
Interest on bank loans (other than those from related parties)	22,671	24,621
Gains and losses on derivatives	44	3,179
Other finance costs	<u>2,172</u>	<u>2,172</u>
	<u>24,887</u>	<u>29,972</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2014**

**5. INCOME TAX**

**Analysis of tax expense**

	Year ended 2014 £	Year ended 2013 £
Current tax:		
Tax	15,802	150
Deferred tax: (see note 14)		
Current year	-	5,895
Total tax expense in Statement of Comprehensive Income	<u>15,802</u>	<u>6,045</u>

**6. INVENTORIES**

	Year ended 2014 £	Year ended 2013 £
Property at cost	<u>1,350,705</u>	<u>1,574,914</u>

**7. TRADE AND OTHER RECEIVABLES**

	Year ended 2014 £	Year ended 2013 £
Current:		
Trade debtors	358	14,274
Prepayments	<u>107</u>	<u>125</u>
	<u>465</u>	<u>14,399</u>

**8. OTHER FINANCIAL ASSETS**

	Year ended 2014 £	Year ended 2013 £
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>		
Interest rate swaps	<u>572</u>	<u>616</u>
	<u>572</u>	<u>616</u>

**9. CASH AND CASH EQUIVALENTS**

	Year ended 2014 £	Year ended 2013 £
Bank accounts	<u>46,454</u>	<u>51,931</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2014**

**10. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	Year ended 2014 £	Year ended 2013 £
Profit before income tax	79,007	44,457
Adjustments for:		
Amortisation of financial guarantee contracts	2,172	2,172
Gains and losses on derivative contracts	44	3,179
Finance costs recognised in profit or loss	-	-
(Decrease)/increase in amounts due to parent	(284,830)	23,232
Finance income	(416)	(370)
	<u>(204,023)</u>	<u>72,670</u>
Decrease /(increase) in inventories	224,209	(132,573)
Decrease/(increase) in trade and other receivables	13,934	(8,259)
(Decrease)/increase in trade and other payables	<u>(23,455)</u>	<u>28,731</u>
Cash generated from operations	10,665	(39,431)
Interest paid	22,570	24,597
Income taxes paid	<u>(58)</u>	<u>(433)</u>
<b>Cash generated by operating activities</b>	<u><u>33,177</u></u>	<u><u>(15,267)</u></u>

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number	Class	Nominal value	Year ended 2014 £	Year ended 2013 £
1	Ordinary	£1	<u><u>1</u></u>	<u><u>1</u></u>

**12. RESERVES**

	Retained earnings £
At 1st April 2013	40,479
Profit for the year	<u>63,205</u>
At 31st March 2014	<u><u>103,684</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2014**

**13. BORROWINGS**

<b>Secured – at amortised cost</b>	<b>Year ended 2014 £</b>	<b>Year ended 2013 £</b>
Bank loans (i)	744,245	758,573
	<u>744,245</u>	<u>758,573</u>
Current	22,000	11,000
Non-current	722,245	747,573
	<u>744,245</u>	<u>758,573</u>

- (i) On 13 October 2011 the company drew down a bank loan of £766,250. The loan is repayable by 12 quarterly instalments commencing October 2013 and a final instalment of £700,250 in October 2016. The effective interest rate on the bank loan is 2.45% plus LIBOR. Interest expenses of £22,671 were recognised on this loan in 2014 (2013: £24,621). The loan is secured by a charge over the trading stock properties held by the company.

**14. PROVISIONS FOR LIABILITIES**

The movement for the year in the company's deferred tax position was as follows:

	<b>Year ended 2014 £</b>	<b>Year ended 2013 £</b>
At 1 April 2013	5,895	-
Charge to income for the year	-	5,895
	<u>5,895</u>	<u>5,895</u>
At 31 March 2014	<u>5,895</u>	<u>5,895</u>

Deferred tax is provided as follows.

	<b>Year ended 2014 £</b>	<b>Year ended 2013 £</b>
Other timing differences	5,895	5,895
	<u>5,895</u>	<u>5,895</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2014**

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**15. TRADE AND OTHER PAYABLES**

	Year ended 2014 £	Year ended 2013 £
Current:		
Trade creditors	1,848	17,460
Local taxation	7,492	10,924
Other creditors	6,046	11,082
Brookshire Capital LLP current account	480,045	764,875
Deferred income	<u>33,138</u>	<u>32,513</u>
	<u>528,569</u>	<u>836,854</u>

**16. TRANSACTIONS WITH DIRECTORS**

The directors, N A Taylor and A J F Wildman, are partners in Brookshire Capital LLP, the limited liability partnership that owns all the share capital of this company. They each have a 10% share in the partnership.

**17. RELATED PARTY DISCLOSURES**

Brookshire Trading Limited continued to receive cash funding from its parent on an interest free basis with no set repayment terms. Management fees of £90,000 (2013: £65,000) were charged by the parent in the year. At the year end Brookshire Trading Limited owed £480,045 (2013: £764,875) to its parent.

**18. ULTIMATE CONTROLLING PARTY**

The company's immediate parent company is Brookshire Capital LLP and the ultimate parent company is Caledonia Investments plc. Caledonia Investments plc is the controlling party. The parent company of the smallest and largest group that includes the company and for which group accounts are prepared is Brookshire Capital LLP.

Caledonia Investments plc is an investment entity under IFRS 10 and prepares group accounts which do not consolidate investment subsidiaries, consequently these statements are not consolidated.

Group accounts for Brookshire Capital LLP and Caledonia Investments plc may be obtained from Cayzer House, 30 Buckingham Gate, London SW1E 6NN.

This company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 'Related Party Disclosures' as revised, so that transactions entered into between two or more wholly owned group members need not be disclosed in these accounts.