

Registered number. 07340671

ABBAY MILLS PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2012

FRIDAY



L2EDLW08

LD4

09/08/2013

#106

COMPANIES HOUSE

ABBNEY MILLS PROPERTIES LIMITED

COMPANY INFORMATION

DIRECTORS

A S Perloff
S J Peters
J T Doyle
J H Perloff

COMPANY SECRETARY

S J Peters

REGISTERED NUMBER

07340671

REGISTERED OFFICE

Deneway House
88-94 Darkes Lane
Potters Bar
Hertfordshire
EN6 1AQ

INDEPENDENT AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditors
25 Moorgate
London
EC2R 6AY

ABBAY MILLS PROPERTIES LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Note of historical cost profits and losses	6
Balance sheet	7
Notes to the financial statements	8 - 12

ABBEY MILLS PROPERTIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2012

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 judgments and accounting 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,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of property investment and management. The company was incorporated on 10 August 2010.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors are satisfied with the results for the year and expect the financial position of the company to be improved during the coming year.

RESULTS

The loss for the year, after taxation, amounted to £152,738 (2011 - profit £332,321).

DIRECTORS

The directors who served during the year were

A S Perloff (appointed 13 April 2011)
S J Peters (appointed 13 April 2011)
J T Doyle (appointed 13 April 2011)
J H Perloff (appointed 13 April 2011)

ABBNEY MILLS PROPERTIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2012

FINANCIAL RISK MANAGEMENT

The company is a member of the Panther Securities Plc group. The principal activity of the individual companies within the group is property investment and dealing. The financial risk management procedures set out below are employed by all companies within the Panther Securities Plc group. The group's operations expose it to a variety of financial risks the main two being the effects of changes in credit risk of tenants and interest rate movement exposure on borrowings. The group has in place a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The group also uses derivative financial instruments to protect against adverse interest rate movements, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services purchased in the UK. The group also has a price exposure on listed equities that are held as investments. The group has a policy of holding only a small proportion of its assets as listed investments.

Credit risk

The group has implemented policies that require appropriate credit checks on potential tenants before lettings are agreed. In most cases a deposit is requested unless the tenant can provide a strong personal or other guarantee. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board. Exposure is also reduced significantly as the group has a large spread of tenants who operate in different industries.

Liquidity risk

The group actively ensures liquidity by maintaining a long-term finance facility and also holds significant cash deposits which are both utilised so as to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets are cash balances which earn interest at fixed rate. The group has a policy of only borrowing debt to finance the purchase of cash generating assets. The directors will revisit the appropriateness of this policy should the group operations change in size or nature.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ABBHEY MILLS PROPERTIES LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2012

This report was approved by the board on 17/7/17

and signed on its behalf



S. J. Peters
Secretary

ABBAY MILLS PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABBAY MILLS PROPERTIES LIMITED

We have audited the financial statements of Abbey Mills Properties Limited for the year ended 31 December 2012, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Auditors' 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 AUDITORS

As explained more fully in the Statement of directors' responsibilities included within the Directors' Report on page 1, 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 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 United Kingdom 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 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.

Nexia Smith & Williamson

Stephen Drew (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditors

25 Moorgate
London

EC2R 6AY

Date *5 August 2013*

ABBHEY MILLS PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Note	2012 £	2011 £
TURNOVER	1,2	334,037	351,278
Administrative expenses		(423,670)	(28)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(89,633)	351,250
Tax on (loss)/profit on ordinary activities	4	(63,105)	(18,929)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10	(152,738)	332,321

All amounts relate to continuing operations

The notes on pages 8 to 12 form part of these financial statements

ABBHEY MILLS PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2012

	2012 £	2011 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(152,738)	332,321
Unrealised surplus on revaluation of investment properties	-	750,000
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(152,738)	1,082,321

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 December 2012

	2012 £	2011 £
REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(89,633)	351,250
HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(89,633)	351,250
HISTORICAL (LOSS)/PROFIT FOR THE YEAR AFTER TAXATION	(152,738)	332,321

The notes on pages 8 to 12 form part of these financial statements

ABBEY MILLS PROPERTIES LIMITED
Registered number: 07340671

BALANCE SHEET
as at 31 December 2012

	Note	£	2012	£	£	2011	£
FIXED ASSETS							
Investment property	5			6,000,000			6,000,000
CURRENT ASSETS							
Debtors	6		130,194			405,545	
Cash at bank			913			1	
			<u>131,107</u>			<u>405,546</u>	
CREDITORS amounts falling due within one year	7		<u>(4,112,443)</u>			<u>(4,234,144)</u>	
NET CURRENT LIABILITIES				<u>(3,981,336)</u>			<u>(3,828,598)</u>
NET ASSETS				<u>2,018,664</u>			<u>2,171,402</u>
CAPITAL AND RESERVES							
Called up share capital	9			1			1
Investment property reserve	10			1,839,080			1,839,080
Profit and loss account	10			179,583			332,321
SHAREHOLDERS' FUNDS	11			<u>2,018,664</u>			<u>2,171,402</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


A. S. Perloff
Director

ABBHEY MILLS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Investment properties on a going concern basis and in accordance with applicable accounting standards

1.2 CASH FLOW

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

1.3 TURNOVER

Turnover represents the value of rents receivable for tenancy occupation in the year to 31 December. Any amounts received in advance or arrears are deferred or accrued as necessary

1.4 INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19 as follows

- i) investment properties are revalued annually by the directors and by independent professional valuers at intervals of not more than three years. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year, and
- ii) no depreciation is provided in respect of leasehold investment properties with over 20 years to run

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary to give a true and fair view, since the current value of investment properties, and the changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation, and the amount which might otherwise have been included cannot be separately identified or quantified

1.5 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

ABBAY MILLS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

2. TURNOVER

All turnover arose within the United Kingdom

3. OPERATING PROFIT

During the year, no director received any emoluments (2011 - £NIL)

At the year end there were no directors accruing pension benefits

4. TAXATION

	2012 £	2011 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
UK corporation tax charge on (loss)/profit for the year	-	18,929
Adjustments in respect of prior periods	63,105	-
	<u>63,105</u>	<u>18,929</u>
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>63,105</u>	<u>18,929</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(89,633)</u>	<u>351,250</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(21,960)	93,081
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,350	861
Capital allowances for year in excess of depreciation	(8,155)	-
Adjustments to tax charge in respect of prior periods	63,105	-
Group relief	22,765	(75,013)
	<u>63,105</u>	<u>18,929</u>
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>63,105</u>	<u>18,929</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

ABBAY MILLS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

5. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2012 and 31 December 2012	<u><u>6,000,000</u></u>

Land and buildings held at 31 December 2012 were revalued by the Directors to open market value on an existing use basis. They were last professionally revalued by G L Hearn, Chartered Surveyors on 31 December 2010.

At 31 December 2012, £6,000,000 (2011 - £6,000,000) included within the net book value of land and buildings relates to freehold land and buildings.

The historic cost of the properties was £4,160,920 (2011 - £4,160,920).

REVALUATION RESERVES	£
At 1 January 2012	<u>1,839,080</u>
At 31 December 2012	<u><u>1,839,080</u></u>

6. DEBTORS

	2012 £	2011 £
Trade debtors	130,194	149,582
Prepayments and accrued income	-	255,963
	<u><u>130,194</u></u>	<u><u>405,545</u></u>

ABBHEY MILLS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

7. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Amounts owed to group undertakings	3,989,943	4,111,644
Accruals and deferred income	122,500	122,500
	<u>4,112,443</u>	<u>4,234,144</u>

The inter company loans are interest free and repayable on demand, however there is no present intention to seek repayment of these loans

There is a third party floating charge over all assets and undertakings of the company for the loan provided by HSBC Bank Plc to Panther Securities PLC

8 PROVISIONS

The potential liability for deferred taxation not provided was as follows

	2012	2011
	£	£
Potential capital gains	<u>337,614</u>	<u>397,117</u>

9. SHARE CAPITAL

	2012	2011
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

ABBNEY MILLS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

10 RESERVES

	Investment property revaluation reserve £	Profit and loss account £
At 1 January 2012	1,839,080	332,321
Loss for the year	-	(152,738)
At 31 December 2012	1,839,080	179,583

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	2,171,402	1,089,081
(Loss)/profit for the year	(152,738)	332,321
Other recognised gains and losses during the year	-	750,000
Closing shareholders' funds	2,018,664	2,171,402

12. CONTINGENT LIABILITIES

A guarantee has been given in respect of borrowings by the parent undertaking and fellow subsidiary undertakings for £75,000,000 (2011 - £75,000,000)

13 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemptions conferred under FRS 8, such that related party transactions need not be disclosed, because consolidated accounts including this company are publicly available

14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking is Panther Securities PLC, a company incorporated in Great Britain. Consolidated accounts for the group are available from the Registered Office