

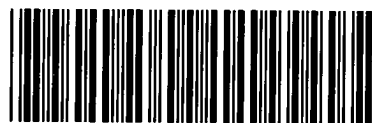
Registration number: 07340671

Abbey Mills Properties Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

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Abbey Mills Properties Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 5
Profit and Loss Account	6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 18

Abbey Mills Properties Limited

Company Information

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

Company secretary S J Peters

Registered office Unicorn House
 Station Close
 Potters Bar
 Hertfordshire
 EN6 1TL

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

Abbey Mills Properties Limited

Directors' Report for the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies. The directors have taken exemption under this regime not to disclose a strategic report.

Directors' of the company

The directors, who held office during the year, were as follows:

A S Perloff

S J Peters - Company secretary and director

J T Doyle (resigned 15 June 2017)

J H Perloff

Principal activity

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.

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

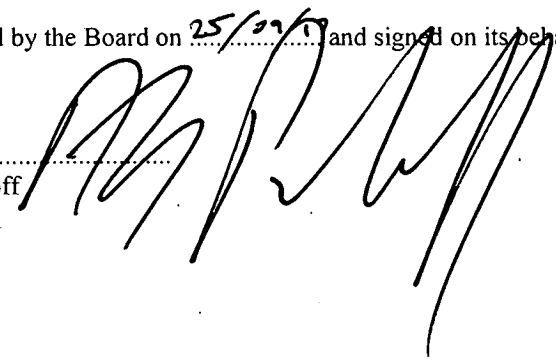
This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Nexia Smith & Williamson as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 25/02/17 and signed on its behalf by:

.....
A S Perloff
Director



Abbey Mills Properties Limited

Statement of Directors' Responsibilities

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 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.

Abbey Mills Properties Limited

Independent Auditor's Report

We have audited the financial statements of Abbey Mills Properties Limited for the year ended 31 December 2016, which comprise the Profit and loss account, the Statement of Comprehensive Income, the Balance sheet, the Statement of Changes in Equity and related notes 1 to 16. 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), including FRS 101 'Reduced Disclosure Framework'.

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 Statement of Directors' Responsibilities set out on page 3, 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 Financial Reporting Council (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 2016 and of its profit 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

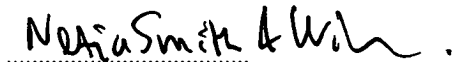
Abbey Mills Properties Limited

Independent Auditor's Report

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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Stephen Drew
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 26/09/17

Abbey Mills Properties Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	1,050,000	1,050,000
Cost of sales		<u>-</u>	<u>(166,137)</u>
Gross profit		1,050,000	883,863
Administrative expenses		<u>14,534</u>	<u>(93,102)</u>
Operating profit	5	1,064,534	790,761
Profit before tax		1,064,534	790,761
Tax on profit on ordinary activities	7	<u>92,287</u>	<u>7,585</u>
Profit for the year		<u><u>1,156,821</u></u>	<u><u>798,346</u></u>

The above results were derived from continuing operations.

Abbey Mills Properties Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	2016 £	2015 £
Profit for the year	<u>1,156,821</u>	<u>798,346</u>
Total comprehensive income for the year	<u><u>1,156,821</u></u>	<u><u>798,346</u></u>

The notes on pages 10 to 18 form an integral part of these financial statements.

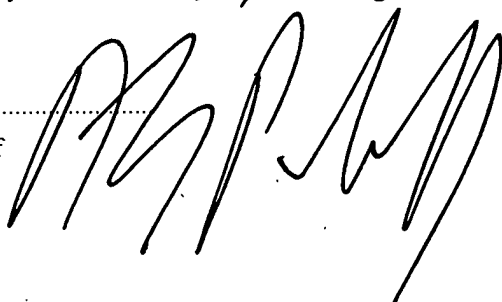
Abbey Mills Properties Limited

(Registration number: 07340671)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	52,500	60,000
Investment properties	9	<u>10,500,000</u>	<u>10,500,000</u>
		<u>10,552,500</u>	<u>10,560,000</u>
Current assets			
Debtors	10	10,237	1
Cash at bank and in hand		<u>11,274</u>	<u>20,474</u>
		<u>21,511</u>	<u>20,475</u>
Creditors: Amounts falling due within one year			
Trade and other creditors	13	(3,502,321)	(4,497,024)
Income tax liability	7	<u>(12,500)</u>	<u>(84,467)</u>
Creditors: Amounts falling due within one year		<u>(3,514,821)</u>	<u>(4,581,491)</u>
Net current liabilities		<u>(3,493,310)</u>	<u>(4,561,016)</u>
Total assets less current liabilities		7,059,190	5,998,984
Provisions for liabilities	7	<u>(926,327)</u>	<u>(1,022,942)</u>
Net assets		<u><u>6,132,863</u></u>	<u><u>4,976,042</u></u>
Capital and reserves			
Called up share capital	11	1	1
Investment property reserve		6,194,567	6,194,567
Retained earnings		<u>(61,705)</u>	<u>(1,218,526)</u>
Shareholders' funds		<u><u>6,132,863</u></u>	<u><u>4,976,042</u></u>

Approved by the Board on 25/01/17 and signed on its behalf by:

.....
A S Perloff
Director



The notes on pages 10 to 18 form an integral part of these financial statements.

Abbey Mills Properties Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £	Investment property reserve £	Retained earnings £	Total £
At 1 January 2016	1	6,194,567	(1,218,526)	4,976,042
Profit for the year	-	-	1,156,821	1,156,821
Total comprehensive income	-	-	1,156,821	1,156,821
At 31 December 2016	1	6,194,567	(61,705)	6,132,863

	Share capital £	Investment property reserve £	Retained earnings £	Total £
At 1 January 2015	1	6,194,567	(2,016,872)	4,177,696
Profit for the year	-	-	798,346	798,346
Total comprehensive income	-	-	798,346	798,346
At 31 December 2015	1	6,194,567	(1,218,526)	4,976,042

The notes on pages 10 to 18 form an integral part of these financial statements.

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

Unicorn House
Station Close
Potters Bar
Hertfordshire
EN6 1TL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The financial statements have been prepared on an historical cost basis except for the revaluation of Investment properties which are carried at fair value.

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the exemption from providing certain comparative information;
- the exemption from preparing a statement of cash flows;
- the exemption from declaring compliance with IFRS;
- the exemption from disclosing aspects of capital risk management;
- the exemption from providing a reconciliation on the number of shares outstanding;
- the exemption from disclosing information about IFRS in issue but not yet adopted; and
- the exemption from disclosing transactions between wholly owned group members.

In relation to the following exemptions equivalent disclosures have been given in the consolidated financial statements of Panther Securities PLC:

- the exemption from certain financial instrument disclosures; and
- the exemption from certain fair value disclosures.

Revenue recognition

Revenue comprises:

Rental income from tenancy occupied properties net of Value Added Tax where appropriate. The income is recognised on an accruals basis.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance sheet date.

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current assets and liabilities on net basis.

Corporation tax for the period is charged at 20% (2015 – 20.25%), representing the best estimate of the weighted average annual corporation tax rate expected for the full financial year.

Deferred tax is recognised on differences between the carrying amounts 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 generally 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. 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 taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that have been substantively enacted on or before the balance sheet date. Deferred tax is charged or credited to the Profit and Loss Account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Tangible assets

Tangible fixed assets are stated at cost less depreciation. Depreciation on tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation

Asset class	Depreciation method and rate
Fixtures and fittings	10% straight line

Investment property

Investment properties, which are properties held to earn rentals and/or capital appreciation, are revalued annually by the Directors using the fair value model of accounting for Investment Property at the Balance Sheet date. When the Directors revalue the properties they make judgements based on the covenant strength of tenants, remainder of lease term of tenancy, location, and other developments which have taken place in the form of open market lettings, rent reviews, lease renewals and planning consents. Gains or losses arising from changes in the fair value of investment property are included in the Profit and Loss Account in the period in which they arise.

In accordance with FRS101, a property interest held under an operating lease, which meets the definition of an investment property, is classified as an investment property. The property interest is initially accounted for as if it were a finance lease, recognising as an asset and a liability the present value of the minimum lease payments due by the Company to the freeholder. Subsequently, and as described above, the fair value model of accounting for investment property is applied to these interests. A corresponding interest charge is applied to the finance lease liabilities based on the effective interest rate. Fair value measurement of investment property is classified as Level 3 in the fair value hierarchy. Using the fair value model in FRS101 is a recurring measurement.

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Capital and reserves

Share capital represents the nominal value of shares issued by the company. The Investment property reserve represents the accumulated fair value gains and losses on investment properties. Profit and loss account represents the accumulated comprehensive income and losses of the Company less dividends paid.

Dividends

Dividends are recognised based on the value per share declared.

Financial assets and liabilities

Classification

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Cash at bank and in hand

Cash and bank and in hand comprise cash on hand and demand deposits.

Trade debtors

Trade debtors are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Profit and Loss Account when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade creditors

Trade creditors are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

3 Critical accounting judgements and key sources of estimation uncertainty

Sources of estimation uncertainty are noted in the accounting policy for Investment Properties. Details of the estimation techniques used are given in the notes to the financial statements.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2016	2015
	£	£
Rental income from investment property	<u>1,050,000</u>	<u>1,050,000</u>

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

5 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	<u>7,500</u>	<u>7,500</u>

6 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	<u>3,500</u>	<u>3,500</u>

7 Income tax

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	12,500	84,467
UK corporation tax adjustment to prior periods	<u>(8,172)</u>	<u>-</u>
	4,328	84,467
Deferred taxation		
Arising from origination and reversal of temporary differences	<u>(96,615)</u>	<u>(92,052)</u>
Tax charge in the income statement	<u>(92,287)</u>	<u>(7,585)</u>

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>1,064,534</u>	<u>790,761</u>
Corporation tax at standard rate	212,907	160,129
Increase (decrease) in current tax from adjustment for prior periods	(8,172)	-
Increase (decrease) from effect of capital allowances	(31)	(3,325)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	-	1,519
Increase (decrease) arising from group relief tax reconciliation	(199,214)	(73,856)
Deferred tax expense (credit) relating to changes in tax rates or laws	<u>(97,777)</u>	<u>(92,052)</u>
Total tax credit	<u>(92,287)</u>	<u>(7,585)</u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2016	
Revaluation of investment property	<u>926,327</u>
2015	
Revaluation of investment property	<u>1,022,942</u>

Deferred tax movement during the year:

	At 1 January 2016 £	Recognised in profit and loss £	At 31 December 2016 £
Revaluation of investment property	<u>1,022,942</u>	<u>(96,615)</u>	<u>926,327</u>

Deferred tax movement during the prior year:

	At 1 January 2015 £	Recognised in profit and loss £	At 31 December 2015 £
Revaluation of investment property	<u>1,114,994</u>	<u>(92,052)</u>	<u>1,022,942</u>

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

8 Tangible assets

	Fixtures and fittings £	Total £
Cost or valuation		
At 1 January 2016	75,000	75,000
At 31 December 2016	75,000	75,000
Depreciation		
At 1 January 2016	15,000	15,000
Charge for the year	7,500	7,500
At 31 December 2016	22,500	22,500
Carrying amount		
At 31 December 2016	52,500	52,500
At 31 December 2015	60,000	60,000

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

9 Investment properties

	2016 £
At 1 January and 31 December	<u>10,500,000</u>

Investment properties held at 31 December 2016 were revalued by the Directors to open market value on an existing use basis. At 31 December 2016, £10,500,000 (2015 - £10,500,000) included within the net book value of Investment properties relates to freehold Investment properties. The historic cost of the properties was £4,305,433 (2015 - £4,305,433).

Property valuations are complex, require a degree of judgement and are based on data some of which is publicly available and some that is not. Consistent with EPRA guidance, we have classified the valuations of our property portfolio as level 3 as defined by IFRS 13 Fair Value Measurement. Level 3 means that the valuation model cannot rely on inputs that are directly available from an active market; however there are related inputs from auction results that can be used as a basis. These inputs are analysed by segment in relation to the property portfolio. All other factors remaining constant, an increase in rental income would increase valuation, whilst an increase in equivalent nominal yield would result in a fall in value and vice versa.

In establishing fair value the most significant unobservable input is considered to be the appropriate yield to apply to the rental income. This is based on a number of factors including financial covenant strength of the tenant, location, marketability of the unit if it were to become vacant, quality of property and potential alternative uses.

The property valuations were carried out by the Directors at 31 December 2016 and independently by GL Hearn, Chartered Surveyors at 31 December 2015. The property valuations when carried out internally are undertaken by Directors, two of whom are members of the Royal Institution of Chartered Surveyors (RICS). The valuation methodology used by both parties is in accordance with The RICS Appraisal and Valuation Standards (9th Edition – January 2014), which is consistent with the required FRS101 methodology. FRS101 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For some properties, valuation was based on an end development rather than investment income in order to achieve highest and best use value. To get the valuation in this instance the end development is discounted by profit for a developer and cost to build to get to the base estimated market value of investment.

During the year £1,050,000 (2015 - £1,050,000) was recognised in income in relation to rental income from investment properties.

10 Debtors

	2016 £	2015 £
Trade debtors	<u>10,237</u>	<u>1</u>

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

11 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12 Obligations under leases and hire purchase contracts

Operating leases

The company as lessor:

The company rents out its investment properties under operating leases. Rental income for the company is disclosed in the Profit and Loss Account.

Contracted rental income derived under non-cancellable operating leases on investment properties

	2016	2015
	£	£
Within one year	1,050,000	1,050,000
In two to five years	4,200,000	4,200,000
In over five years	<u>8,253,288</u>	<u>9,306,164</u>
	<u>13,503,288</u>	<u>14,556,164</u>

13 Trade and other creditors

	2016	2015
	£	£
Trade creditors	1,035	2,235
Accruals and deferred income	349,999	1,404,000
Amounts due to related parties	<u>3,151,287</u>	<u>3,090,789</u>
	<u>3,502,321</u>	<u>4,497,024</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.

14 Contingent liabilities

A guarantee has been given in respect of borrowings by the parent undertaking and fellow subsidiary undertakings for £75,000,000 (2015 - £73,000,000).

Abbey Mills Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

15 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Panther Securities PLC.

These financial statements are available upon request from the Registered Office.

16 Parent and ultimate parent undertaking

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Panther Securities PLC, incorporated in England and Wales.

The address of Panther Securities PLC is:

The Registered Office

Panther Securities PLC is ~~listed~~ on the Alternative Investment Market (AIM).

quoted