

Registered number: NI 33039

Culzean Estates Limited
Financial statements
For year ended 31 March 2017

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Culzean Estates Limited

Report and financial statements for the year ended 31 March 2017

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Directors and advisers

Directors

A J Kennedy
C D Kennedy

Company secretary

C D Kennedy

Registered office

50 Ballyreagh Road
Portrush
Antrim
Portru
BT56 8LT

Solicitors

Pinsent Masons Belfast LLP
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

Bankers

Ulster Bank Limited
202-206 York Street
Belfast
BT15 1HY

Balance sheet as at 31 March 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	5	-	10,200,000
Current assets			
Debtors	6	126,163	144,331
Cash at bank and in hand		223,593	1,684,455
		349,756	1,828,786
Creditors: amounts falling due within one year	7	(46,606,496)	(56,834,880)
Net current liabilities		(46,256,740)	(55,006,094)
Net liabilities		(46,256,740)	(44,806,094)
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		(46,256,840)	(44,806,194)
Shareholders' deficit		(46,256,740)	(44,806,094)


For the year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts; and
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime. The company has opted not to file the statement of income and retained earnings in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 3 to 11 were approved by the board on 15 December 2017 and were signed on its behalf by:


C D Kennedy
 Director

The notes on pages 4 to 11 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2017

1 General information

Culzean Estates Limited ('the Company') is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 50 Ballyreagh Road, Portrush, Antrim, BT56 8LT.

2 Statement of compliance

The company and company financial statements of Culzean Estates Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in note 17.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Cash flow

The company has taken advantage of the exemption from the requirement to produce a cash flow statement on the grounds that it is a small group.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future having funds to meet obligations as they fall due.

As a result of the ongoing economic crisis and its particular impact on the property sector, the company has reported losses during the period. In addition the company's bank facilities have now expired. Whilst the directors have instituted measures to preserve cash and secure the necessary long-term funding, these circumstances create material uncertainty over future profitability and cash flow.

The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern should support be withdrawn by the company's bankers. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

Investment properties

Investment properties are held at fair value with any gains or losses recognised in profit or loss. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Notes to the financial statements for the year ended 31 March 2017

3 Accounting policies (continued)

Tangible fixed assets (continued)

Long leasehold land and buildings

Long leasehold land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses

Depreciation and residual values

Land is not depreciated

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life. Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Administrative expenses'.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Notes to the financial statements for the year ended 31 March 2017

3 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises revenue when (i) the significant risks and rewards of ownership have been transferred to the buyer; (ii) the company retains no continuing involvement or control over the goods; (iii) the amount of revenue can be measured reliably; and (iv) it is probable that future economic benefits will flow to the company.

Provisions and contingencies

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Notes to the financial statements for the year ended 31 March 2017

3 Accounting policies (continued)

Financial instruments (continued)

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow company companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in equity. In this case tax is also recognised in equity. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the financial statements for the year ended 31 March 2017

3 Accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognized as an expense in the period in which the service is received.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Company. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

4. Employees

The average number of persons employed (including the directors) during the year was as follows:

	2017 Number	2016 Number
Administration	2	6

Notes to the financial statements for the year ended 31 March 2017

5. Tangible assets

	Long leasehold land and buildings £	Investment properties £	Total £
Cost or valuation			
At 1 April 2016	3,150,000	7,050,000	10,200,000
Disposals	(3,150,000)	(7,050,000)	(10,200,000)
At 31 March 2017	-	-	-

Investment properties and land and buildings include £nil (2016: £10,214,755) of capitalised borrowing costs.

6. Debtors

	2017 £	2016 £
Trade debtors	100,079	115,799
Prepayments and accrued income	16,702	18,802
Other debtors	9,382	9,730
	126,163	144,331

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdraft	29,804,161	40,359,162
Trade creditors	19,282	5,832
Other tax and social security	785	5,718
Other creditors	3,512,500	3,512,500
Amounts owed to company undertakings	2,962,500	2,962,500
Amounts owed to related parties	1,048,776	1,048,876
Accruals and deferred income	9,258,492	8,940,292
	46,606,496	56,834,880

The bank loans and overdrafts are secured by fixed charges over certain of the company's properties and carry interest at variable rates.

Notes to the financial statements for the year ended 31 March 2017

8. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	109,461	125,529
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	46,605,711	56,829,162

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, accruals, amounts owed to related parties & amounts owed to company undertakings.

9. Called up share capital

	2017 £	2016 £
Allotted and fully paid		
50 Ordinary 'A' shares of £1 each	50	50
50 Ordinary 'B' shares of £1 each	50	50
	100	100

The "A" and "B" Ordinary shares rank pari passu in all respects.

10. Related party transactions

Transactions with related parties were as follows:

		Amount of transaction		Balance owed to related party	
	Nature of transaction	2017 £	2016 £	2017 £	2016 £
Culzean Properties (Number 2) Limited	Company relief receivable and loans	-	(21,561)	(1,048,776)	(1,048,776)
Antrim Estates (N.I) Limited	Loans	-	-	(2,962,500)	(2,962,500)

11. Ultimate controlling party

The company's immediate and ultimate holding company as at 31 March 2017 was Antrim Estates (N.I) Limited, a company incorporated in Northern Ireland. Company financial statements for this company are not prepared.

Notes to the financial statements for the year ended 31 March 2017

12. Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2016. The date of transition to FRS 102 was 1 April 2016. The policies applied were not materially different and have not impacted on profit and loss.