

**COMPANY REGISTRATION NUMBER: 00300930**

**COLEBREAM ESTATES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**25 MARCH 2020**

**COLEBREAM ESTATES LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 25 MARCH 2020**

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**COLEBREAM ESTATES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	A G Phillips M J Pendower A Stranack
<b>Company secretary</b>	A Stranack
<b>Registered office</b>	95 Jermyn Street London SW1Y 6JE
<b>Auditor</b>	BSG Valentine (UK) LLP Chartered Accountants & Statutory Auditor Lynton House 7 - 12 Tavistock Square London WC1H 9BQ
<b>Bankers</b>	Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	ODT Solicitors 4th Floor Offices Pavilion View 19 New Road Brighton BN1 1UF
<b>Surveyors</b>	Savills Plc 33 Margaret Street, London, W1G 0JD

**COLEBREAM ESTATES LIMITED**

**NOTICE OF MEETING**

**YEAR ENDED 25 MARCH 2020**

Notice is hereby given that the Annual General Meeting of the company will be held 12 noon on 16<sup>th</sup> September 2020. Due to the ongoing restrictions concerning public meetings, and with the best interests of all our shareholders, it is expected that the AGM will be held as an online meeting. Details of the meeting will be sent (via email) to all shareholders one week before the AGM. If your email address is not on record, please use the Link shareholders portal (details on [www.colebream.co.uk](http://www.colebream.co.uk)) to register your details. If you have any questions please email [info@colebream.co.uk](mailto:info@colebream.co.uk)

To receive and adopt the directors' report and financial statements for the year ended 25 March 2020.

1. To re-appoint BSG Valentine (UK) LLP as auditor and to authorise the directors to fix their remuneration.
3. (a) To declare a dividend.  
(b) To re-elect a director, Mr A Stranack, who is due to retire by rotation.
4. To transact any other business of an Annual General Meeting.

Registered office:

95 Jermyn Street  
London  
SW1Y 6JE

By order of the board

A Stranack  
Company secretary

23<sup>th</sup> July 2020

Notes:

- a. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the company.
- b. A form of proxy is enclosed with this notice for your use in respect of the business set out above. To be effective, the form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified or an office copy of such power of authority) must be lodged at the company's registered office at least forty-eight hours before the time appointed for the meeting.

**COLEBREAM ESTATES LIMITED**

**FIVE YEAR SUMMARY**

**YEAR ENDED 25 MARCH 2020**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Rental income (£'000)	1,049	1,088	988	1,029	937
Sale of property (£'000)		3,540			
Profit on sale of investments (£'000)				525	
Profit on disposal of fixed assets (£'000)				8	1,517
Gain/(loss) on revaluation of investment properties	1,284	718	710	1,519	(1,199)
Net Interest receivable/(payable) (£'000)	(82)	(132)	(156)	(154)	(142)
Profit/(Loss) after tax (£'000)	1,597	2,224	943	2,167	(1,469)
Earnings/(loss) per share	63.98p	88.91p	37.5p	85.7p	(53p)
Dividends per share	15p	16p	16p	17p	21p
Net assets (£'000)	11,148	13,032	13,594	15,365	13,359
Net assets per share	£4.47	£5.21	£5.41	£6.08	£4.82

**Notes**

- a Earnings per share and net assets per share are calculated using a weighted average number of shares  
The weighted average number of shares in issue in the year to 25 March 2020 is 2,771,419.
- b Dividends per share are calculated using the number of shares in issue on the dividend payment date.
- c Net assets reflect the result of a directors' valuation.
- d Dividends per share represents dividends paid and proposed in respect of the financial year.

# COLEBREAM ESTATES LIMITED

## CHAIRMAN'S STATEMENT

### YEAR ENDED 25 MARCH 2020

Writing a report for the year ended 25th March 2020 is a challenge in that the financial figures at a quick glance look frightening but in reality, apart from the last 48 hours or so before COVID-19 hit the headlines, the year was very good.

Shareholders will wonder why we issued a bonus dividend at Christmas when they read the results, but the message is look at the facts below and you will understand.

The rental income this year was £937,000 compared with £1,029,000 last year. Property sales, costs, fees and maintenance expenses were spread across a two-year trading period because parts from the previous year were applicable to this year. Directors' emoluments were also aligned with the financial periods whereas before they crossed between the years. The underlying profit before COVID-19 related property revaluations for the two years was around £4,200,000. Whilst the accounts report a net loss for the year of £1,774,000 the net profit for the year before all COVID-19 related property revaluations totalling £3,600,000 was £1,800,000.

Bearing in mind these successes it is understandable why we issued a bonus dividend at Christmas and why the board feels the final dividend should be maintained at 9p. This means shareholders will have received 21p per share for the year (17p last year).

The explanation for the income statement showing a substantial loss is entirely due to the effects of the pandemic on property values. The board had to consider the asset value of our properties and the true book value of our stock in hand in the last two days of the trading year ending 25th March 2020. The board must represent in the accounts the values at the year end. Having taken external views on three of the properties most affected we have reduced the valuation across the portfolio by just over 18.5%, which we feel fairly represents the position on 25th March as far as anyone can judge. Government action continues to prevent any legal means for rent arrears recovery making the position even more uncertain with consequential and ongoing negative effects on the sectors hit hardest by the pandemic. We are in most cases negotiating sensible payment schedules and providing rent free periods where we judge this to be important for the survival of our tenants, as we are keen to avoid vacant premises where possible.

The modern method of accounting requires any revaluation of assets to be reflected in the income statement (Profit & Loss) and not just the statement of financial position (Balance Sheet) as it used to be.

My fellow directors and I have worked together every day to protect our tenants and our financial position to ensure we can all ride out the storm and we feel we have succeeded in stabilizing our position without the need for external financial support. This has meant that we have had to accept considerable reductions in immediate income but at the same time we have negotiated with tenant's long-term benefits to our income stability.

It is inevitable that our next trading year will be very different as income is greatly reduced and with the uncertainty of the future of the pandemic no guarantees can be given about dividends in 2021. The directors are fully focused on the issues and continue to monitor the situation on a daily basis. The company remains strong.

A.H. Godfrey Phillips.  
Chairman.

16<sup>th</sup> July 2020

**COLEBREAM ESTATES LIMITED**

**DIRECTORS' REPORT**

**YEAR ENDED 25 MARCH 2020**

The directors present their report and the financial statements of the company for the year ended 25 March 2020.

**Directors**

The directors who served the company during the year were as follows:

A G Phillips  
M J Pendower  
A Stranack

**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 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;
- 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.

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**COLEBREAM ESTATES LIMITED**

**DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 25 MARCH 2020**

This report was approved by the board of directors on 10 August 2020 and signed on behalf of the board by:

A Stranack  
Company Secretary

Registered office:  
95 Jermyn Street  
London  
SW1Y 6JE

## COLEBREAM ESTATES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBREAM ESTATES LIMITED

YEAR ENDED 25 MARCH 2020

#### Opinion

We have audited the financial statements of Colebream Estates Limited (the 'company') for the year ended 25 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Emphasis of matter

We draw your attention to note 8 to the financial statements which explains that, due to the impact of Covid-19, the investment property valuation has been reported on the basis of material uncertainty and consequently less certainty and a higher degree of caution should be attached to the valuation than would normally be the case.

## COLEBREAM ESTATES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBREAM ESTATES LIMITED

(continued)

YEAR ENDED 25 MARCH 2020

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters 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 the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## COLEBREAM ESTATES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBREAM ESTATES LIMITED

(continued)

YEAR ENDED 25 MARCH 2020

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**COLEBREAM ESTATES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBREAM ESTATES LIMITED**

*(continued)*

**YEAR ENDED 25 MARCH 2020**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

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.

Gary Allen FCA (Senior Statutory Auditor)

For and on behalf of  
BSG Valentine (UK) LLP  
Chartered Accountants & Statutory Auditor  
Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

10 August 2020

**COLEBREAM ESTATES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 25 MARCH 2020**

	Note	2020 £	2019 £
<b>Turnover</b>		936,731	1,029,483
Cost of sales		(2,452,212)	(177,497)
<b>Gross (loss)/profit</b>		(1,515,481)	851,986
Administrative expenses		(440,553)	(280,290)
Other operating income		–	524,966
Fair value (loss)/gain on revaluation of investment properties		(1,199,136)	1,519,100
Profit on disposal of investment properties		1,516,875	8,383
<b>Operating (loss)/profit</b>		(1,638,295)	2,624,145
Other interest receivable and similar income		6,136	159
Interest payable and similar expenses		(142,210)	(153,691)
<b>(Loss)/profit before taxation</b>	<b>6</b>	(1,774,369)	2,470,613
Tax on (loss)/profit	<b>7</b>	304,950	(303,309)
<b>(Loss)/profit for the financial year and total comprehensive income</b>		<u>(1,469,419)</u>	<u>2,167,304</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

**The notes on pages 15 to 21 form part of these financial statements.**

**COLEBREAM ESTATES LIMITED**

**STATEMENT OF FINANCIAL POSITION** *(continued)*

**25 MARCH 2020**

	Note	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investment Properties	<b>8</b>		10,581,000		15,925,000
Investments	<b>9</b>		158,000		158,000
			<u>10,739,000</u>		<u>16,083,000</u>
<b>Current assets</b>					
Stocks	<b>10</b>	5,245,000		3,113,000	
Debtors	<b>11</b>	315,317		343,047	
Short term bank deposits	<b>12</b>	1,000,429		–	
Cash at bank and in hand		224,600		592,422	
		<u>6,785,346</u>		<u>4,048,469</u>	
<b>Creditors: amounts falling due within one year</b>	<b>13</b>	<u>903,048</u>		<u>696,297</u>	
<b>Net current assets</b>			<u>5,882,298</u>		<u>3,352,172</u>
<b>Total assets less current liabilities</b>			16,621,298		19,435,172
<b>Creditors: amounts falling due after more than one year</b>	<b>14</b>		3,053,046		3,201,631
<b>Provisions</b>					
Deferred tax			209,570		868,570
<b>Net assets</b>			<u>13,358,682</u>		<u>15,364,971</u>
<b>Capital and reserves</b>					
Called up share capital			698,310		634,105
Share premium account	<b>17</b>		118,315		99,687
Other reserve	<b>17</b>		7,079,405		3,060,329
Fair value reserve	<b>17</b>		1,981,705		5,768,536
Share incentive reserve	<b>17</b>		248,039		285,030
Profit and loss account	<b>17</b>		3,232,908		5,517,284
<b>Shareholders funds</b>			<u>13,358,682</u>		<u>15,364,971</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 10 August 2020, and are signed on behalf of the board by:

A G Phillips  
Director

Company registration number: 00300930

**The notes on pages 15 to 21 form part of these financial statements.**

**COLEBREAM ESTATES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 25 MARCH 2020**

	Called up share capital £	Share premium account £	Other reserve £	Fair value reserve £	Share incentive reserve £	Profit and loss account £	<b>Total</b> £
<b>At 26 March 2018</b>	630,992	82,877	2,778,479	5,341,552	261,030	4,498,662	13,593,592
Profit for the year	—	—	—	—	—	2,167,304	2,167,304
<b>Total comprehensive income for the year</b>	—	—	—	—	—	2,167,304	2,167,304
Issue of shares	3,113	16,810	—	—	—	—	19,923
Dividends paid and payable	—	—	—	—	—	(439,848)	(439,848)
Equity-settled share-based payments	—	—	—	—	24,000	—	24,000
Transfers	—	—	281,850	426,984	—	(708,834)	—
<b>Total investments by and distributions to owners</b>	3,113	16,810	281,850	426,984	24,000	(1,148,682)	(395,925)
<b>At 25 March 2019</b>	634,105	99,687	3,060,329	5,768,536	285,030	5,517,284	15,364,971
Loss for the year	—	—	—	—	—	(1,469,419)	(1,469,419)
<b>Total comprehensive income for the year</b>	—	—	—	—	—	(1,469,419)	(1,469,419)

The statement of changes in equity  
continues on the following page.

**The notes on pages 15 to 21 form part of these financial statements.**

**COLEBREAM ESTATES LIMITED**

**STATEMENT OF CHANGES IN EQUITY** *(continued)*

**YEAR ENDED 25 MARCH 2020**

	Called up share capital £	Share premium account £	Other reserve £	Fair value reserve £	Share incentive reserve £	Profit and loss account £	<b>Total</b> £
Issue of shares	8,307	18,628	–	–	–	–	26,935
Dividends paid and payable	–	–	–	–	–	(582,712)	(582,712)
Equity-settled share-based payments	–	–	–	–	18,907	–	18,907
Transfers	–	–	4,019,076	(3,786,831)	–	(232,245)	–
Adjustment for vested share incentives	55,898	–	–	–	(55,898)	–	–
<b>Total investments by and distributions to owners</b>	<u>64,205</u>	<u>18,628</u>	<u>4,019,076</u>	<u>(3,786,831)</u>	<u>(36,991)</u>	<u>(814,957)</u>	<u>(536,870)</u>
<b>At 25 March 2020</b>	<u><u>698,310</u></u>	<u><u>118,315</u></u>	<u><u>7,079,405</u></u>	<u><u>1,981,705</u></u>	<u><u>248,039</u></u>	<u><u>3,232,908</u></u>	<u><u>13,358,682</u></u>

The notes on pages 15 to 21 form part of these financial statements.

# COLEBREAM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 25 MARCH 2020

### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 95 Jermyn Street, London, SW1Y 6JE.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

The directors have reviewed the company's going concern status in light of the impact of the Covid-19 pandemic. At the year end the company had cash reserves, including short term bank deposits, of £1.2m, and net current assets of £5.88m. Rent collection has fallen post year-end and the directors are currently taking action to collect outstanding rents or to renegotiate lease terms. Whilst the rental arrears will cause a short-term fall in cash flow, the directors have forecast that the collected rents plus cash reserves are sufficient to meet all liabilities as they fall due for a period of at least a year from the approval of these financial statements. The directors therefore continue to prepare the financial statements on a going concern basis.

#### Share based payments

The company issues equity-settled share-based payments to all employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured by an external valuer.

Where the terms of equity settled transactions are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## COLEBREAM ESTATES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 25 MARCH 2020

### 3. Accounting policies *(continued)*

#### **Judgements and key sources of estimation uncertainty *(continued)***

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of both investment properties and trading stock and have been disclosed in note 8 to the financial statements.

#### **Revenue recognition**

Turnover relates to rents receivable plus other trading income and is stated exclusive of VAT. Rental income is recognised on an accruals basis as it becomes due under the term of the lease.

#### **Deferred tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Investment properties**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

**COLEBREAM ESTATES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 25 MARCH 2020**

**3. Accounting policies** *(continued)*

**Stocks**

Stocks represent properties acquired for re-sale. Stocks are valued at the lower of cost and net-realizable value.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

**4. Auditor's remuneration**

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>14,000</u>	<u>14,000</u>

**5. Employee numbers**

The average number of persons employed by the company during the year amounted to 3 (2019: 3).

**6. Profit before taxation**

Profit before taxation is stated after charging/crediting:

	2020	2019
	£	£
Loss on appropriation of stock to investment property	660,718	–
Impairment of trading stock	1,736,770	–
Fair value loss/(gain) on revaluation of investment properties	1,215,945	(1,519,100)
(Profit) on disposal of investment properties	(1,516,875)	(8,383)
(Profit) on disposal of other investments	–	(524,966)
	<u>                    </u>	<u>                    </u>

**7. Tax on (loss)/profit**

**Major components of tax (income)/expense**

	2020	2019
	£	£
<b>Current tax:</b>		
UK current tax expense	354,050	144,152
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(659,000)	159,157
<b>Tax on (loss)/profit</b>	<u>(304,950)</u>	<u>303,309</u>

**COLEBREAM ESTATES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 25 MARCH 2020**

**8. Investment properties**

	Freehold property £	Long leasehold property £	Total £
<b>Cost or valuation</b>			
At 26 March 2019	13,102,000	2,823,000	15,925,000
Additions	2,772,136	–	2,772,136
Disposals	(4,094,000)	(2,823,000)	(6,917,000)
Revaluations	(1,199,136)	–	(1,199,136)
<b>At 25 March 2020</b>	<u>10,581,000</u>	<u>–</u>	<u>10,581,000</u>
<b>Depreciation</b>			
At 26 March 2019 and 25 March 2020	–	–	–
<b>Carrying amount</b>			
At 25 March 2020	<u>10,581,000</u>	<u>–</u>	<u>10,581,000</u>
At 25 March 2019	<u>13,102,000</u>	<u>2,823,000</u>	<u>15,925,000</u>

The company's freehold properties were valued by the directors at £10,581,000 on 25 March 2020. One of the directors is a Fellow of the Royal Institution of Surveyors and has the necessary knowledge and experience to carry out the valuations. However, at the year-end there was significant increased uncertainty associated with the impact of the Covid-19 pandemic on commercial and residential property prices. The valuations have therefore been prepared based on reasonable assumptions, taking into account the advice of local agents and valuers, and having reviewed comparable transactions where available. However, the lack of comparable transactions and current instability in the property market means that the valuations are subject to increased estimation uncertainty. The valuations have therefore been prepared on the basis of material uncertainty and consequently less certainty and a higher degree of caution should be attached to the valuation than would normally be the case.

**9. Investments**

	Other investments other than loans £
<b>Cost</b>	
At 26 March 2019 and 25 March 2020	<u>158,000</u>
<b>Impairment</b>	
At 26 March 2019 and 25 March 2020	<u>–</u>
<b>Carrying amount</b>	
At 25 March 2020	<u>158,000</u>
At 25 March 2019	<u>158,000</u>

**COLEBREAM ESTATES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 25 MARCH 2020**

**10. Stocks**

	2020	2019
	£	£
Finished goods and goods for resale	5,245,000	3,113,000

Stock represents freehold properties held for sale in the ordinary course of business. These have been written down to their estimated net realisable value as at 31 March 2020. These have been valued in the same manner as the company's investment properties and are subject to the same valuation uncertainty as described in note 8.

**11. Debtors**

	2020	2019
	£	£
Trade debtors	222,399	181,320
Other debtors	92,918	161,727
	<u>315,317</u>	<u>343,047</u>

**12. Short term bank deposits**

	2020	2019
	£	£
Short term cash deposits	1,000,429	–

**13. Creditors: amounts falling due within one year**

	2020	2019
	£	£
Bank loans and overdrafts	148,586	148,584
Trade creditors	–	8,413
Corporation tax	354,050	144,152
Social security and other taxes	39,712	28,914
Other creditors	360,700	366,234
	<u>903,048</u>	<u>696,297</u>

**14. Creditors: amounts falling due after more than one year**

	2020	2019
	£	£
Bank loans and overdrafts	3,053,046	3,201,631

The bank loans are secured by first Legal Charges over seven properties.

Included within creditors: amounts falling due after more than one year is an amount of £1,291,419 (2019: £1,413,572) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Loans payable in more than 5 years are due to be repaid in full by July 2033 and interest is payable at 3.75% p.a. over the bank's base rate.

**COLEBREAM ESTATES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 25 MARCH 2020**

**15. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions	<u>209,570</u>	<u>868,570</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Fair value adjustment of investment property	<u>209,570</u>	<u>868,570</u>

**16. Share-based payments**

The company has a share incentive scheme for all employees (including directors). During the year 33,227 (2019 - 16,952) ordinary shares were issued by the company. Of these 20,376 (2019 - 4,500) shares were issued to a Share Incentive Plan and vest in the employees in three years. These shares have been valued at £1.70 (2019 - £1.60) by an external valuer and agreed by HM Revenue and Customs. The expense to the company of providing these shares to the employees is taken to the profit and loss account over three years and credited to a share incentive reserve.

The total expense recognised in profit or loss for the year is £24,000 (2019 - £24,000).

**17. Reserves**

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Share incentive reserve - This reserve records the value received in relation to shares issued under the share incentive plan.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Other reserve - This reserve records retained earnings and accumulated losses in relation to the sale of properties.

Fair value reserve - This reserve is a subset of the profit and loss account and represents cumulative fair value gains on investment properties less the associated deferred tax on those gains.

**COLEBREAM ESTATES LIMITED**

**NOTES TO THE DETAILED INCOME STATEMENT**

**YEAR ENDED 25 MARCH 2020**

2020            2019  
£                    £

**18. Related party transactions**

During the year the company entered into the following related party transactions in addition to fees paid to directors.

1. Office expenses of £28,040 (2019: £27,700) were paid to Spreadsheet Solutions Limited, of which M Pendower is a director and shareholder.
2. During the prior year an investment in a Limited Partnership, Astranta Rufus LP was disposed of realising a gain of £524,966.
3. In the partnership above the properties are managed by Astranta Asset Management Limited, a company in which M Pendower is a director and shareholder. A fee is charged for this service.
4. The company has invested £158,000 in Astranta Garratt Lane LP. Some of the company's directors are also partners in Astranta Garratt Lane LP and the property owned by the LP is managed by Astranta Asset Management Limited as referred to in the above paragraph.

**19. Schedule of properties**

**FREEHOLD**

19 Wincheap, Canterbury  
 61/63 Fore Street, Heavitree, Exeter  
 36 Clipstone Road West, Forest Town, Mansfield  
 44 Monson Road, Tunbridge Wells  
 66 Grove Street, Wilmslow  
 172-175 Clapham Park Road, London  
 33/35 High Street, Leatherhead  
 Oak Green House, High Street, Dorking  
 15 Tudor Road, Canterbury  
 4-10 Church Street, Reigate  
 13 Bell Street, Reigate  
 11 Stoney Cross Business Park, Derby  
 105-111 South Street, Romford

**ACTIVITY OF TENANT**

PROPORTION OF	RENTAL INCOME		CAPITAL VALUE	
	% 2020	% 2019	% 2020	% 2019
Industrial	27	39	24	43
Retail	32	35	32	29
Office	9	11	8	8
Other	32	15	36	20