

COMPANY REGISTRATION NUMBER: 00300930

COLEBREAM ESTATES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

25 MARCH 2021

COLEBREAM ESTATES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 25 MARCH 2021

Contents	Page
Officers and professional advisers	1
Notice of meeting	2
Five year summary	3
Chairman's statement	4
Directors' report	5
Independent auditor's report to the members	7
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	13
Notes to the financial statements	15

COLEBREAM ESTATES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

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

COLEBREAM ESTATES LIMITED

NOTICE OF MEETING

YEAR ENDED 25 MARCH 2021

Notice is hereby given that the Annual General Meeting of the company will be held 12 noon on 22 September 2021. Because of the ongoing uncertainty 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) to register your details. If you have any questions please email info@colebream.co.uk.

1. To receive and adopt the directors' report and financial statements for the year ended 25 March 2021.
2. 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.H. Godfrey Phillips, 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

21 July 2021

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 2021

	2017	2018	2019	2020	2021
Rental income (£'000)	1,088	988	1,029	937	877
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	718	710	1,519	(1,199)	442
Net Interest receivable/(payable) (£'000)	(132)	(156)	(154)	(142)	(135)
Profit/(Loss) after tax (£'000)	2,224	943	2,167	(1,469)	735
Earnings/(loss) per share	88.91p	37.5p	85.7p	(53p)	26.2p
Dividends per share	16p	16p	17p	21p	6p
Net assets (£'000)	13,032	13,594	15,365	13,359	13,877
Net assets per share	£5.21	£5.41	£6.08	£4.82	£4.95

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 2021 is 2,801,192.
- b Dividends per share are calculated using the number of shares in issue on the dividend payment date.
- c Net assets include property revaluations carried out by external valuers and the directors.
- 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 2021

I wrote to shareholders in February explaining that property companies were experiencing severe difficulties in controlling income and cash flow because of the COVID restrictions on some tenants such as our hospitality and aircraft component businesses. The government imposed regulations preventing landlords from recovering unpaid rent through the courts to protect such businesses and these continue to this day.

The company chose to assist those of our tenants that were in difficulty to protect our interests in the longevity of their leases to avoid bad debts and empty premises. This involved differing arrangements for individual tenants depending upon their circumstances. We negotiated some free periods and some postponements, together with lease extensions and lease variations that will benefit us in the long run.

I am pleased to say that these measures, whilst they affected our present income and cash flow, have protected our tenants up to the current year end and have given us some confidence of better stability for the future.

Our cautious approach of protecting our cash reserves so as to avoid any need to borrow was the right choice. Our year may not have been sparkling but it was not bad either.

The rental income this year was £877,000 compared with £937,000 last year. Administrative expenses, revaluation of our investments and interest payable on existing borrowings produced a profit before taxation of £878,000. This is obviously a considerable reduction on the successes of previous years but considering the issues affecting our business it reflects the benefit of the hands on management and hard work done by the directors.

Our property investment portfolio has been partly revalued externally and the balance by a director and stands at £11,223,000, which together with our property being held as stock in hand for development valued at £5,459,000 provides stock and assets of £16,682,000.

The board undertook a careful analysis of the projected cash position including our development of stock in hand property and we have decided that we can offer a dividend of 6p per share for payment in September following approval by shareholders at the AGM.

I would like to thank my fellow directors for the painstaking, micromanagement of the company during these very difficult times. We have all spent many hours every week ensuring that the company is secure against the threats to our current and future income potential and as we stand this has been very successful.



A.H. Godfrey Phillips.
Chairman.

21 July 2021

COLEBREAM ESTATES LIMITED

DIRECTORS' REPORT

YEAR ENDED 25 MARCH 2021

The directors present their report and the financial statements of the company for the year ended 25 March 2021.

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 2021

This report was approved by the board of directors on 21 July 2021 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 2021

Opinion

We have audited the financial statements of Colebream Estates Limited (the 'company') for the year ended 25 March 2021 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 2021 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

COLEBREAM ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBREAM ESTATES LIMITED
(continued)

YEAR ENDED 25 MARCH 2021

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.

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.

COLEBREAM ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBREAM ESTATES LIMITED
(continued)

YEAR ENDED 25 MARCH 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. Our procedures included enquiry of management and performing analytical review procedures to identify any unusual relationships that may indicate a material misstatement, and a review of board meeting minutes. We also tested the appropriateness of journals to address the risk of fraud through management override of controls. We also performed appropriate testing in respect of the risk of fraud in revenue recognition by reconciling rental income to agent's statements and by agreeing rental income to underlying lease agreements. We reviewed property valuations to ensure that these were appropriate estimates and that there was no indication of management bias. Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

BSG Valentine (UK) LLP

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

21 July 2021

COLEBREAM ESTATES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 25 MARCH 2021

	Note	2021 £	2020 £
Turnover		877,129	936,731
Cost of sales		<u>(2,716)</u>	<u>(2,452,212)</u>
Gross profit/(loss)		874,413	(1,515,481)
Administrative expenses		(302,703)	(440,553)
Fair value gain/(loss) on revaluation of investment properties		441,788	(1,199,136)
Profit on disposal of investment properties		<u>–</u>	<u>1,516,875</u>
Operating profit/(loss)		1,013,498	(1,638,295)
Other interest receivable and similar income		158	6,136
Interest payable and similar expenses		<u>(135,389)</u>	<u>(142,210)</u>
Profit/(loss) before taxation	6	878,267	(1,774,369)
Tax on profit/(loss)	7	<u>(142,988)</u>	<u>304,950</u>
Profit/(loss) for the financial year and total comprehensive income		<u><u>735,279</u></u>	<u><u>(1,469,419)</u></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

25 MARCH 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Investment Properties	8		11,222,800		10,581,000
Investments	9		<u>158,000</u>		<u>158,000</u>
			11,380,800		10,739,000
Current assets					
Stocks	10	5,459,000		5,245,000	
Debtors	11	348,867		315,317	
Short term bank deposits	12	–		1,000,429	
Cash at bank and in hand		<u>580,812</u>		<u>224,600</u>	
		6,388,679		6,785,346	
Creditors: amounts falling due within one year	13	<u>(682,184)</u>		<u>(903,048)</u>	
Net current assets			<u>5,706,495</u>		<u>5,882,298</u>
Total assets less current liabilities			17,087,295		16,621,298
Creditors: amounts falling due after more than one year	14		(2,933,934)		(3,053,046)
Provisions					
Deferred tax			<u>(276,806)</u>		<u>(209,570)</u>
Net assets			<u><u>13,876,555</u></u>		<u><u>13,358,682</u></u>
Capital and reserves					
Called up share capital			704,274		698,310
Share premium account	17		126,691		118,315
Other reserve	17		7,079,405		7,079,405
Fair value reserve	17		2,356,257		1,981,705
Share incentive reserve	17		267,685		248,039
Profit and loss account	17		<u>3,342,243</u>		<u>3,232,908</u>
Shareholders funds			<u><u>13,876,555</u></u>		<u><u>13,358,682</u></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'.

The statement of financial position
continues on the following page.
The notes on pages 15 to 21 form part of these financial statements.

COLEBREAM ESTATES LIMITED

STATEMENT OF FINANCIAL POSITION *(continued)*

25 MARCH 2021

These financial statements were approved by the board of directors and authorised for issue on 21 July 2021, 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 2021

	Called up share capital £	Share premium account £	Other reserve £	Fair value reserve £	Share incentive reserve £	Profit and loss account £	Total £
At 26 March 2019	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)
Total comprehensive income for the year	—	—	—	—	—	(1,469,419)	(1,469,419)
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)	—	—
Total investments by and distributions to owners	64,205	18,628	4,019,076	(3,786,831)	(36,991)	(814,957)	(536,870)
At 25 March 2020	698,310	118,315	7,079,405	1,981,705	248,039	3,232,908	13,358,682
Profit for the year	—	—	—	—	—	735,279	735,279
Total comprehensive income for the year	—	—	—	—	—	735,279	735,279

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 2021

	Called up share capital £	Share premium account £	Other reserve £	Fair value reserve £	Share incentive reserve £	Profit and loss account £	Total £
Issue of shares	5,964	8,376	—	—	—	—	14,340
Dividends paid and payable	—	—	—	—	—	(251,392)	(251,392)
Equity-settled share-based payments	—	—	—	—	19,646	—	19,646
Transfers	—	—	—	374,552	—	(374,552)	—
Total investments by and distributions to owners	5,964	8,376	—	374,552	19,646	(625,944)	(217,406)
At 25 March 2021	704,274	126,691	7,079,405	2,356,257	267,685	3,342,243	13,876,555

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 2021

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 of £580k and net current assets of £5.7m. Rent collection fell during the year due to the impact of the Covid-19 pandemic on tenants, however the directors reduced costs and all operating costs were financed from rental receipts. The directors forecast an increase in income in the next financial year as rental receipts stabilise and arrears are collected. Based on expected rental income and the strength of the balance sheet the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

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.

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 are as follows:

Valuation of investment property and net realisable value of property stock - based on estimated rental value and rental yield, which are determined by a review of comparable market transactions.

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.

COLEBREAM ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 25 MARCH 2021

3. Accounting policies *(continued)*

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.

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.

Stocks

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

COLEBREAM ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 25 MARCH 2021

3. Accounting policies *(continued)*

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.

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

	2021	2020
	£	£
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 (2020: 3).

6. Profit before taxation

Profit before taxation is stated after charging/crediting:

	2021	2020
	£	£
Loss on appropriation of stock to investment property	–	660,718
Impairment of trading stock	–	1,736,770
Fair value (gain)/loss on revaluation of investment properties	(441,788)	1,215,945
(Profit) on disposal of investment properties	–	<u>(1,516,875)</u>

COLEBREAM ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 25 MARCH 2021

7. Tax on profit/(loss)

Major components of tax expense/(income)

	2021 £	2020 £
Current tax:		
UK current tax expense	75,752	354,050
Deferred tax:		
Origination and reversal of timing differences	67,236	(659,000)
Tax on profit/(loss)	<u>142,988</u>	<u>(304,950)</u>

8. Investment properties

	Freehold property £
Cost or valuation	
At 26 March 2020	10,581,000
Additions	200,012
Revaluations	441,788
At 25 March 2021	<u>11,222,800</u>
Depreciation	
At 26 March 2020 and 25 March 2021	<u>—</u>
Carrying amount	
At 25 March 2021	<u>11,222,800</u>
At 25 March 2020	<u>10,581,000</u>

Capital commitments

	2021 £	2020 £
Contracted for but not provided for in the financial statements	<u>198,130</u>	<u>—</u>

9. Investments

	Other investments other than loans £
Cost	
At 26 March 2020 and 25 March 2021	<u>158,000</u>
Impairment	
At 26 March 2020 and 25 March 2021	<u>—</u>

COLEBREAM ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 25 MARCH 2021

9. Investments *(continued)*

	Other investments other than loans £
Carrying amount	
At 25 March 2021	158,000
At 25 March 2020	158,000

10. Stocks

	2021 £	2020 £
Finished goods and goods for resale	5,459,000	5,245,000

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 2021. These have been externally valued.

11. Debtors

	2021 £	2020 £
Trade debtors	284,533	222,399
Other debtors	64,334	92,918
	<u>348,867</u>	<u>315,317</u>

12. Short term bank deposits

	2021 £	2020 £
Short term cash deposits	—	1,000,429

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	162,302	148,586
Trade creditors	5,959	—
Corporation tax	75,751	354,050
Social security and other taxes	50,290	39,712
Other creditors	387,882	360,700
	<u>682,184</u>	<u>903,048</u>

COLEBREAM ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 25 MARCH 2021

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

	2021	2020
	£	£
Bank loans and overdrafts	<u>2,933,934</u>	<u>3,053,046</u>

Bank loans, including those falling due within one year, are secured by a fixed and floating charge over the assets of the company and by first legal charges over seven of the company's freehold properties.

Included within creditors: amounts falling due after more than one year is an amount of £1,173,063 (2020: £1,291,419) 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.

15. Deferred tax

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

	2021	2020
	£	£
Included in provisions	<u>276,806</u>	<u>209,570</u>

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

	2021	2020
	£	£
Fair value adjustment of investment property	<u>276,806</u>	<u>209,570</u>

16. Share-based payments

The company has a share incentive scheme for all employees (including directors). During the year 23,856 (2020 - 33,227) ordinary shares were issued by the company. Of these 17,415 (2020 - 20,376) shares were issued to a Share Incentive Plan and vest in the employees in three years. These shares have been valued at £1.55 (2020 - £1.70) 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 (2020 - £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 FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 25 MARCH 2021

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 £32,000 (2020: £28,040) were paid to Spreadsheet Solutions Limited, of which M Penderow is a director and shareholder.
2. The company has invested £158,000 (2020: £158,000) in Astranta Garratt Lane LP. Some of the company's directors are also partners in Astranta Garratt Lane LP.

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	
	% 2021	% 2020	% 2021	% 2020
Industrial	26	27	24	24
Retail	32	32	27	32
Office	10	9	8	8
Other	32	32	41	36