

**COMPANY REGISTRATION NUMBER: 00300930**

**COLEBREAM ESTATES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**25 MARCH 2018**

**COLEBREAM ESTATES LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 25 MARCH 2018**

	Page
Contents	
Officers and professional advisers	<b>1</b>
Notice of meeting	<b>2</b>
5 year summary	<b>3</b>
Chairman's statements	<b>4 to 5</b>
Directors' report	<b>6 to 7</b>
Independent auditor's report to the members	<b>8 to 11</b>
Statement of comprehensive income	<b>12</b>
Statement of financial position	<b>13</b>
Statement of changes in equity	<b>14 to 15</b>
Notes to the financial statements	<b>16 to 23</b>
The following pages do not form part of the financial statements	
Detailed income statement	<b>25</b>
Notes to the detailed income statement	<b>26</b>

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

<b>The board of directors</b>	A G Phillips M J Pendower A Stranack A Nairn
<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>	Coole Bevis LLP Lanes End House 15 Prince Albert Street Brighton BN1 1HY
<b>Surveyors</b>	Savills Plc 33 Margaret Street, London, W1G 0JD
<b>Registrars</b>	Link Asset Services 6 <sup>th</sup> Floor, 65 Gresham Street, London EC2V 7NQ

**COLEBREAM ESTATES LIMITED**

**NOTICE OF MEETING**

**YEAR ENDED 25 MARCH 2018**

Notice is hereby given that the Annual General Meeting of the company will be held at 12 noon on 19<sup>th</sup> September 2018 at the Royal Theatrical Fund, 2<sup>nd</sup> Floor, 11 Garrick Street, London WC2 9AR.

1. To receive and adopt the directors' report and financial statements for the year ended 25 March 2018.
2. To re-appoint BSG Valentine as auditor and to authorise the directors to fix their remuneration.
3. (a) To declare a dividend.  
(b) To accept the retirement of Mr A Nairn who is due to resign 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

18th July 2018

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****5 YEAR SUMMARY****YEAR ENDED 25 MARCH 2018**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Rental income (£'000)	1,041	1,047	1,049	1,088	988
Sale of property (£'000)				3,540	
Net Interest receivable/(payable) (£'000)	(89)	(55)	(82)	(132)	(156)
Profit after tax (£'000) (as per pre 2016 accounting standards)	588	891	533	1,559	388
Profit after tax (£'000) (as per FRS 102)		1,248	1,597	2,224	943
Earnings per share (as per pre 2016 accounting standards)	23.64p	35.78p	21.35p	62.3p	15.4p
Earnings per share (as per FRS 102)		50.10p	63.98p	88.91p	37.5p
Dividends per share	13.00p	14.75p	15p	16p	16p
Net assets (£'000)	8,884	9,823	11,148	13,032	13,594
Net assets per share	£3.57	£3.94	£4.47	£5.21	£5.41

**Notes**

- a Profits after taxation and earnings per share exclude surpluses on sales of investment properties and revaluations
- b 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 2018 is 2,514,313
- c Dividends per share are calculated using the number of shares in issue on the dividend payment date.
- d Net assets reflect the result of a directors' valuation. The directors previously revalued the properties annually themselves.
- e 2015, 2016, 2017 and 2018 net assets are calculated under FRS 102.

## **COLEBREAM ESTATES LIMITED**

### **CHAIRMAN'S STATEMENT**

#### **YEAR ENDED 25 MARCH 2018**

I intend to change the way I report on the company performance this year to make it more interesting and demonstrate the board's approach to current opportunities and threats.

The country is going through the inevitable, financial tough times resulting from Brexit uncertainties requiring the board to be discerning in its actions. The change in financial reporting to FRS 102 makes comparisons hard for anyone other than accounting experts and those experienced in property company finances. For these reasons I will state the facts and compare them with our plans rather than with previous years that can be seen in the accounts.

The rental income this year was £988,000 and it is not distorted by property transactions. We have maintained this around the £1m mark despite the changes in our property portfolio last year where, had we got it wrong, income from new acquisitions could have yielded lower than those from the properties where we took the profits by disposals.

We have achieved direct property management expenses, including legal & professional fees, of £47,800 but we have not had fees for property disposals and so they are much in line with expectations. Administrative expenses were £299,000 again in line with our plans.

We have income from our investments with others of £19,500 and together with investment property fair valuation adjustment we had other operating income of £730,000. We did not have any profits from the sale of assets this year as the board is focused on improving our traditional rental income.

The operating profit reported for the period was £1,370,000 and the profit before taxation was £1,214,000.

The portfolio valuation of our investments is £14,915,000 and together with the property we hold as stock our properties total £17,991,000. The total assets less current liabilities amount to £17,653,000 and the net assets are £13,594,000 after taking off longer term debt. The board is working hard to increase this value by some of the plans set out below.

The company acquired last year an exciting property in Reigate which has provided us with both a high street frontage and flats above and an area behind that is perfect for development. The shops and flats are being optimized for income and a planning application for development into new flats and car parking is going through the processes. Once the planning is sorted a decision will be made on the best option for Colebream. It is likely we will retain the frontage and sell the development. We also acquired last year a very good property in Croydon that we are improving for the tenant.

We have had various offers for some of our properties that together would put on a good increase in portfolio value but our aim at present is to retain them and improve the income from them.

We are monitoring the retail situation with respect to our exposure to it and we are comfortable that we have the right balance.

We have good bank borrowing arrangements that provide us with considerable flexibility should an opportunity arise and that puts the company in a strong position versus other potential buyers.

The board has recommended a final dividend of 8.00 pence per share. Taken with the interim dividend this will total 16.00 pence per share comparable with last year when we had such a bumper result. It is worth noting that net assets per share are now £5.41.

I would like to express my thanks to my fellow directors for the skills they show in decision making and our managing agents who look after our properties so well. Our auditors provide us with excellent service and advice on all financial matters and this has been very helpful in recent times.

**COLEBREAM ESTATES LIMITED**

**CHAIRMAN'S STATEMENT**

**YEAR ENDED 25 MARCH 2018**

This year we are seeing the retirement from the board of Andrew Nairn. I have always described Andrew as my "safe pair of hands" and he has served the company as our auditor, accountant, secretary and a director over the last 50 years. Andrew first came into contact with Colebream in 1968 having qualified as a Chartered Accountant in Scotland the year before and joined Chalmers Impey in London. He retired from the same practice, although it changed its name several times (Hodgson Impey, Kidsons Impey, HLB Kidsons, Baker Tilly) in 2004 having been a partner since 1970. Andrew joined our board in 2005. Andrew's involvement in book publishing with his practice earned him a place on the board of the company that administers the Man Booker Prize for Fiction, the predominant literary prize in the world where he has been greatly appreciated as "the bean counter for the book trade". He retired from this board only in April this year. He also has been a greatly appreciated member of the Garrick Club.

Andrew's service to Colebream Estates is second to none and I would like to pay tribute to him together with rest of the board. Andrew has helped us to where we are now and his contribution cannot be over emphasized. I am sure all shareholders will join me in wishing him a long and rewarding retirement. We will be expecting him at the AGM's of course.

The Annual General Meeting this year will be at The Royal Theatrical Fund, 2nd Floor, 11 Garrick Street, London WC2E 9AR and all shareholders are invited for drinks after the meeting as usual. The directors are always pleased to see shareholders and this is an ideal occasion to meet and discuss matters of interest.

**A.H. Godfrey Phillips.**  
**Chairman.**

**18<sup>th</sup> July, 2018**

# COLEBREAM ESTATES LIMITED

## DIRECTORS' REPORT

YEAR ENDED 25 MARCH 2018

The directors present their report and the financial statements of the company for the year ended 25 March 2018.

### **Incorporation**

The company was incorporated on 20 May 1935 in the United Kingdom.

### **Directors**

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

A G Phillips  
M J Pendower  
A Stranack  
A Nairn

### **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 2018**

This report was approved by the board of directors on 18 July 2018 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 2018

#### Opinion

We have audited the financial statements of Colebream Estates Limited (the 'company') for the year ended 25 March 2018 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 March 2018 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

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.

## COLEBREAM ESTATES LIMITED

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

YEAR ENDED 25 MARCH 2018

#### 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 2018

#### 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 2018**

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.

Daniel Burke (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

18 July 2018

**COLEBREAM ESTATES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 25 MARCH 2018**

	Note	2018 £	2017 £
<b>Turnover</b>	<b>4</b>	987,592	4,628,189
Cost of sales		(47,808)	(2,205,636)
<b>Gross profit</b>		939,784	2,422,553
Administrative expenses		(299,088)	(332,279)
Other operating income		729,668	784,858
<b>Operating profit</b>		1,370,364	2,875,132
Other interest receivable and similar income		8	154
Interest payable and similar expenses		(156,203)	(132,168)
<b>Profit before taxation</b>		1,214,169	2,743,118
Tax on profit		(271,432)	(480,198)
<b>Profit for the financial year</b>		<u>942,737</u>	<u>2,262,920</u>
Transfer between reserves		–	(293,050)
Transfer between reserves		–	293,050
<b>Other comprehensive income for the year</b>		–	–
<b>Total comprehensive income for the year</b>		<u>942,737</u>	<u>2,262,920</u>

All the activities of the company are from continuing operations.

The notes on pages 16 to 23 form part of these financial statements.

**COLEBREAM ESTATES LIMITED**

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

**25 MARCH 2018**

	Note	2018	2017
		£	£
<b>Fixed assets</b>			
Tangible assets	<b>7</b>	14,610,900	13,900,806
Investments	<b>8</b>	304,574	500,000
		14,915,474	14,400,806
<b>Current assets</b>			
Stocks		3,076,250	3,040,000
Debtors	<b>9</b>	343,103	354,532
Cash at bank and in hand		221,272	19,568
		3,640,625	3,414,100
<b>Creditors: amounts falling due within one year</b>	<b>10</b>	902,888	2,248,457
<b>Net current assets</b>		2,737,737	1,165,643
<b>Total assets less current liabilities</b>		17,653,211	15,566,449
<b>Creditors: amounts falling due after more than one year</b>	<b>11</b>	3,350,206	2,000,000
<b>Provisions</b>			
Deferred tax		709,413	534,699
<b>Net assets</b>		13,593,592	13,031,750
<b>Capital and reserves</b>			
Called up share capital		630,992	627,616
Share premium account		82,877	64,648
Other reserve		2,778,478	2,778,479
Fair value reserve		5,341,552	4,631,458
Share option reserve		261,030	227,730
Profit and loss account		4,498,663	4,701,819
<b>Shareholders funds</b>		13,593,592	13,031,750

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with 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 18 July 2018, and are signed on behalf of the board by:

A G Phillips  
Director

A Nairn  
Director

Company registration number: 00300930

**The notes on pages 16 to 23 form part of these financial statements.**

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

**YEAR ENDED 25 MARCH 2018**

	Called up share capital £	Share premium account £	Other reserve £	Fair value reserve £	Share option reserve £	Profit and loss account £	<b>Total</b> £
<b>At 26 March 2016</b>	624,423	48,679	2,446,071	4,206,508	195,320	3,626,646	11,147,647
Profit for the year						2,262,920	2,262,920
Other comprehensive income for the year:							
Transfer between reserves	–	–	39,358	(293,050)	–	(39,358)	(293,050)
Transfer between reserves	–	–	293,050	718,000	–	(718,000)	293,050
<b>Total comprehensive income for the year</b>	–	–	332,408	424,950	–	1,505,562	2,262,920
Issue of shares	3,193	15,969	–	–	–	–	19,162
Dividends paid and payable	–	–	–	–	–	(430,389)	(430,389)
Equity-settled share-based payments	–	–	–	–	32,410	–	32,410
<b>Total investments by and distributions to owners</b>	3,193	15,969	–	–	32,410	(430,389)	(378,817)
<b>At 25 March 2017</b>	627,616	64,648	2,778,479	4,631,458	227,730	4,701,819	13,031,750
Profit for the year						942,737	942,737
Other comprehensive income for the year:							
Transfer between reserves	–	–	–	710,094	–	(710,094)	–
<b>Total comprehensive income for the year</b>	–	–	–	710,094	–	232,643	942,737

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

**The notes on pages 16 to 23 form part of these financial statements.**

**COLEBREAM ESTATES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY** *(continued)*

**YEAR ENDED 25 MARCH 2018**

	Called up share capital £	Share premium account £	Other reserve £	Fair value reserve £	Share option reserve £	Profit and loss account £	<b>Total</b> £
Issue of shares	3,376	18,229	–	–	–	–	21,605
Dividends paid and payable	–	–	–	–	–	(435,800)	(435,800)
Equity-settled share-based payments	–	–	–	–	33,300	–	33,300
<b>Total investments by and distributions to owners</b>	<u>3,376</u>	<u>18,229</u>	<u>–</u>	<u>–</u>	<u>33,300</u>	<u>(435,800)</u>	<u>(380,895)</u>
<b>At 25 March 2018</b>	<u><u>630,992</u></u>	<u><u>82,877</u></u>	<u><u>2,778,479</u></u>	<u><u>5,341,552</u></u>	<u><u>261,030</u></u>	<u><u>4,498,662</u></u>	<u><u>13,593,592</u></u>

The notes on pages 16 to 23 form part of these financial statements.

# COLEBREAM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 25 MARCH 2018

### 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

In accordance with the company's Articles of Association surpluses and deficits on property sales are transferred to capital reserve.

#### Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financial transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## COLEBREAM ESTATES LIMITED

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

#### YEAR ENDED 25 MARCH 2018

#### 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.

##### Disclosure exemptions

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

##### 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.

##### Revenue recognition

Turnover relates to rents receivable plus other trading income and is stated exclusive of VAT.

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## COLEBREAM ESTATES LIMITED

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

#### YEAR ENDED 25 MARCH 2018

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

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be 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.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Stocks**

Stocks represent properties acquired for re-sale.

Stocks are valued at the lower of cost and net-realizable value.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

**COLEBREAM ESTATES LIMITED**

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

**YEAR ENDED 25 MARCH 2018**

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

**Provisions** *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**4. Turnover**

Turnover arises from:

	2018	2017
	£	£
Rent receivable	987,592	1,088,189
Sale of property	–	3,540,000
	<u>987,592</u>	<u>4,628,189</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**5. Auditor's remuneration**

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>14,000</u>	<u>12,000</u>

**6. Employee numbers**

The average number of persons employed by the company during the year amounted to 4 (2017: 4).

**COLEBREAM ESTATES LIMITED**

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

**YEAR ENDED 25 MARCH 2018**

**7. Tangible assets**

	Freehold property £	Long leasehold property £	Total £
<b>Cost or valuation</b>			
At 26 March 2017	11,576,806	2,324,000	13,900,806
Revaluations	474,094	236,000	710,094
<b>At 25 March 2018</b>	<u>12,050,900</u>	<u>2,560,000</u>	<u>14,610,900</u>
<b>Depreciation</b>			
At 26 March 2017 and 25 March 2018	–	–	–
<b>Carrying amount</b>			
At 25 March 2018	<u>12,050,900</u>	<u>2,560,000</u>	<u>14,610,900</u>
At 25 March 2017	<u>11,576,806</u>	<u>2,324,000</u>	<u>13,900,806</u>

**Tangible assets held at valuation**

The company's freehold and long leasehold properties were valued by the directors at £14,610,900 on 25 March 2018.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
<b>At 25 March 2018</b>	
Aggregate cost	9,211,043
Aggregate depreciation	–
<b>Carrying value</b>	<u>9,211,043</u>
<b>At 25 March 2017</b>	
Aggregate cost	9,211,043
Aggregate depreciation	–
<b>Carrying value</b>	<u>9,211,043</u>

**COLEBREAM ESTATES LIMITED**

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

**YEAR ENDED 25 MARCH 2018**

**8. Investments**

	Other investments other than loans £
<b>Cost</b>	
At 26 March 2017	500,000
Additions	20,000
Disposals	(215,426)
<b>At 25 March 2018</b>	<u>304,574</u>
<b>Impairment</b>	
At 26 March 2017 and 25 March 2018	<u>–</u>
<b>Carrying amount</b>	
At 25 March 2018	<u>304,574</u>
At 25 March 2017	<u>500,000</u>

**9. Debtors**

	2018 £	2017 £
Trade debtors	214,840	204,764
Other debtors	128,263	149,768
	<u>343,103</u>	<u>354,532</u>

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

	2018 £	2017 £
Bank loans and overdrafts	362,058	1,500,000
Trade creditors	2,484	3,123
Corporation tax	96,718	399,589
Social security and other taxes	103,987	35,801
Other creditors	337,641	309,944
	<u>902,888</u>	<u>2,248,457</u>

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

	2018 £	2017 £
Bank loans and overdrafts	<u>3,350,206</u>	<u>2,000,000</u>

The bank loans are secured by first Legal Charges over ten properties by Lloyds TSB Bank Plc, including 61-63 Fore Street Exeter, 19 Wincheap Canterbury, 36 Clipstone Road Mansfield, 175 Clapham Park Road London, 44 Monson Road Tunbridge Wells, 3B Princes Way Croydon, Oak Green House Dorking, 7a South Crescent London, 13 Bell Street Reigate.

## COLEBREAM ESTATES LIMITED

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

#### YEAR ENDED 25 MARCH 2018

#### 11. Creditors: amounts falling due after more than one year *(continued)*

Included within creditors: amounts falling due after more than one year is an amount of £1,529,007 (2017: £Nil) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The loan of £2,000,000 is interest only until July 2018, and is due to be repaid in full by July 2033. Interest is payable at 3.75% p.a. over the bank's base rate.

#### 12. Financial instruments at fair value

Financial instruments are measured at amortised cost, these relate to debtors and creditors included in the notes above.

#### 13. Share-based payments

The company has a share incentive scheme for all employees (including directors). During the year 31,503 (2017 - 36,775) ordinary shares were issued by the company to a Share Incentive Plan Trust. Of these 13,503 (2017 - 12,775) vest unconditionally in the employees at £1.60 (2017 - £1.50) per share. The remaining 18,000 (2017 - 24,000) shares vest in the employees over three years. These shares have been valued at £1.60 (2017 - £1.50) 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 based payment reserve.

The total expense recognised in profit or loss for the year is £33,300 (2017 - £32,410).

#### 14. 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 £26,400 (2017: £24,000) were paid to Spreadsheet Solutions Limited, of which M Pendower is a director and shareholder.

2. On 3 March 2015 the company became a partner in a Limited Partnership, Astranta Rufus LP. The company has invested £500,000 in this partnership representing 15.63% of the total members' capital introduced. Some of the company's directors are also partners in Astranta Rufus LP. In the current year, £215,126 of the capital was returned. A profit share of £19,574 (2017: £27,500) was received with respect to this investment.

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. On 26 March 2018 the company paid a deposit to Astranta Garratt Lane LP. This is with the intention to become a partner in the Limited Partnership after the year end. Some of the company's directors are also partners in Astranta Garratt Lane LP.

**COLEBREAM ESTATES LIMITED**

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

**YEAR ENDED 25 MARCH 2018**

**15. Schedule of properties**

**FREEHOLD**

Wincheap, Canterbury  
61/63 Fore Street, Heavitree, Exeter  
36 Clipstone Road West, Forest Town, Mansfield  
123 High Street, Sevenoaks  
44 Monson Road, Tunbridge Wells  
66 Grove Street, Wilmslow  
173-175 Clapham Park Road, London  
33/35 High Street, Leatherhead  
Oak Green House, High Street, Dorking  
15 Tudor Road, Canterbury  
3B Princes Road, Croydon  
4-10 Church Street, Reigate  
13 Bell Street, Reigate

**LONG LEASEHOLD**

Units 1&2, Gemini Business Centre, Cody Road, London

**ACTIVITY OF TENANT**

PROPORTION OF	RENTAL INCOME		CAPITAL VALUE	
	% 2018	% 2017	% 2018	% 2017
Light				
Industrial	39	53	38	36
Retail	35	21	39	38
Office	12	11	8	9
Other	14	15	20	17