

Prime Estates Limited and subsidiary companies

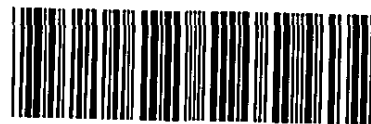
Report and Financial Statements

Year Ended

31 December 2012

Company Number 1823607

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Prime Estates Limited and subsidiary companies

Report and financial statements for the year ended 31 December 2012

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President

Mr H J H Bandet

Directors

Ms R E L Bandet
Mrs I A M F Boyer
Mr I Kirkpatrick (Chairman)
Mr T E Milliken
Mr J B Boyer (as alternate to Mrs I A M F Boyer)

Secretary and registered office

N J Alexander, 64 Wilbury Way, Hitchin, Hertfordshire, SG4 0TP

Company number

1823607 (England and Wales)

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Prime Estates Limited and subsidiary companies

Report of the directors for the year ended 31 December 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Results and dividends

The consolidated profit and loss account is set out on page 6 and shows the group's profit before taxation for the year

The directors declared and paid dividends as shown on note 9 to the accounts. No further dividends are recommended by the directors for the year.

Principal activities, trading review and future developments

The principal activity of the group is that of property investment. Both the level of business and the year end financial position are satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Directors

The directors of the company during the year were

Ms R E L Bandet
Mrs I A M F Boyer
Mr I Kirkpatrick (Chairman)
Mr T E Milliken
Mr J B Boyer (as alternate to Mrs I A M F Boyer)

Charitable and political contributions

During the year the group made charitable contributions of £Nil (2011 - £Nil). There were no political contributions.

Review of business and future developments

The consolidated profit and loss account is set out on page 6 and shows that the group's rental income has decreased by £1,943,197 to £1,292,914 from £3,236,111 in the prior year. This is principally the net effect on rental income of voids and disposals, offset by new leases and rent reviews.

Vacant premises at the year end represented an Estimated Rental Value (ERV) of £328,071 per annum or 32.7% of total annualised rent roll, up from a vacant premises ERV of £188,766 (12.2%) the prior year.

Book profits on the disposal of fixed assets were £1,607,677 (2011 – losses £1,492,139) principally represented by book profits recognised on disposals from the group's UK property portfolio. However, losses of £281,339 (2011 – profits - £1,972,902) were realised on disposals of US property investments.

The net book value of tangible fixed assets decreased by £4,886,114 or 29.7% to £11,551,196 following disposals of £4,306,000 and revaluation adjustments. Once disposals during the year are taken into account the portfolio shows a 4.7% like-for-like decrease from the prior year.

Cash at bank increased by £2,713,508 to £6,295,492 (refer to notes 24 and 25), following property disposals and payment of dividends during the year. Institutional borrowings were fully hedged for the year.

The Board reviews the group's cash flow on a regular basis and ensures appropriate facilities are available to be drawn upon as necessary.

Prime Estates Limited and subsidiary companies

Report of the directors for the year ended 31 December 2012 (*continued*)

Principal risks and uncertainties

The principal risks faced by the business are the risks represented by potential tenant defaults and property voids. These risks and the general state of the commercial property market have flow-on consequences for the valuation of the group's portfolio. The group has limited exposure in exchange rates on foreign investments of £356,059.

The Board is unaware of any significant deterioration in the state of the group's tenants or in voids in the group's property portfolio, and expects the profitability of the portfolio to continue at approximately present levels.

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted 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 the company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Prime Estates Limited and subsidiary companies

Report of the directors for the year ended 31 December 2012 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The Company has, by elective resolution, resolved to dispense with the need to hold annual general meetings and to reappoint auditors annually. Accordingly BDO LLP, who have expressed their willingness to do so will continue in office as auditors to the company.

By order of the Board



Mr N J Alexander

Secretary

29 August 2013

Prime Estates Limited and subsidiary companies

Independent auditor's report

TO THE MEMBERS OF PRIME ESTATES LIMITED AND SUBSIDIARY COMPANIES

We have audited the financial statements of Prime Estates Limited for the year ended 31 December 2012 which comprise the consolidated profit and loss accounts, the consolidated statement of total recognised gains and losses, the consolidated reconciliation of movements in shareholders' funds, the consolidated note of historical cost profits and losses, the consolidated and company balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Prime Estates Limited and subsidiary companies

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Solomon Benaim, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

29/8/2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Prime Estates Limited and subsidiary companies

Consolidated profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Gross rental income	2	1,292,914	3,236,111
Property expenses		(147,910)	(641,362)
Net rental income		1,145,004	2,594,749
Profit on disposal of trading property		-	773,196
(Loss)/profit from US property investments		(281,339)	1,972,902
Administrative expenses		1,146,927	(1,441,225)
Other operating income	3	18,930	181,395
Group operating (loss)/profit		(264,332)	4,081,017
Share of operating (loss)/profit of associated undertakings		(4,440)	(5,500)
Provision on revaluation of fixed assets		(234,491)	(839,175)
Provision on impairment of fixed asset investments		352,116	(352,116)
Profit/(loss) on disposal of fixed assets - group		1,607,677	(1,492,139)
Profit on maturing of endowment policies		-	233,040
Profit on ordinary activities before interest		1,456,530	1,625,127
Interest receivable	4	1,577	8,797
Interest payable and similar charges	5	(131,332)	(642,462)
Profit on ordinary activities before taxation	6	1,326,775	991,462
Taxation on profit from ordinary activities	8	(433,497)	(1,384,934)
Profit/(loss) on ordinary activities after taxation		893,278	(393,472)
Minority interest		12,715	(67,297)
Profit/(loss) for the financial year		905,993	(460,769)

All amounts relate to continuing activities

The notes on pages 12 to 24 form part of these financial statements

Prime Estates Limited and subsidiary companies

Statement of total recognised gains and losses, reconciliation of movements in shareholders' funds and note of historical cost profits and losses for the year ended 31 December 2012

	Note	2012 £	2011 £
Statement of total recognised gains and losses			
Profit/(loss) for the financial year		905,993	(460,769)
Unrealised deficit on revaluation of properties	16	(363,509)	(1,116,700)
Exchange translation differences	16	(119,089)	19,103
Total recognised gains/(losses) in the year		423,395	(1,558,366)
Reconciliation of movements in shareholders' funds			
Gain/(loss) for the year		423,395	(1,558,366)
Dividends		(3,146,650)	(19,277,952)
Opening shareholders' funds			
- At beginning of year		21,475,899	42,312,217
Closing shareholders' funds		18,752,644	21,475,899
Note of historical cost profits and losses			
Profit on ordinary activities before taxation		1,326,775	991,462
Realisation of property valuation gains of prior years		2,627,943	13,226,772
Historical cost profit on ordinary activities before taxation		3,954,718	14,218,234
Historical cost profit/(loss) on ordinary activities after taxation, minority interest and dividends		387,286	(6,511,949)

The notes on pages 12 to 24 form part of these financial statements

Prime Estates Limited and subsidiary companies

Consolidated balance sheet at 31 December 2012

Company number 1823607	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	10		11,551,196		16,437,310
Investments in joint ventures					
Share of gross assets		-		26,063	
Share of gross liabilities		-		(7,000)	
		-		19,063	
Other investments		356,059		2,098,042	
Fixed asset investments	11		356,059		2,117,105
			11,907,255		18,554,415
Debtors					
Current assets					
Debtors	12	2,874,135		1,080,672	
Cash at bank and in hand	25	6,295,492		3,581,984	
		9,169,627		4,662,656	
Creditors: amounts falling due within one year	13	(2,276,100)		(1,701,409)	
Net current assets			6,893,527		2,961,247
Total assets less current liabilities			18,800,782		21,515,662
Creditors' amounts falling due after more than one year	14		(10,000)		(10,000)
Net assets			18,790,782		21,505,662

The notes on pages 12 to 24 form part of these financial statements

Prime Estates Limited and subsidiary companies

Consolidated balance sheet at 31 December 2012 (*continued*)

Company number 1823607	Note	2012 £	2011 £
Capital and reserves			
Called up share capital	15	3,500	3,500
Merger reserve	16	578,038	578,038
Revaluation reserve	16	7,978,963	10,955,415
Profit and loss account	16	10,207,143	9,938,946
		18,767,644	21,475,899
Minority interest	17	23,138	29,763
Shareholders' funds		18,790,782	21,505,662

The financial statements were approved by the Board of Directors and authorised for issue on 29 August 2013


Mr I Kirkpatrick
Director


Mr T E Milliken
Director

The notes on pages 12 to 24 form part of these financial statements

Prime Estates Limited and subsidiary companies

Company balance sheet at 31 December 2012

Company number 1823607	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	10		5,625,999		9,212,999
Investments	11		1,011,898		2,729,786
			<u>6,637,897</u>		<u>11,942,785</u>
Current assets					
Debtors	12	4,425,858		3,928,401	
Cash at bank and in hand		5,636,237		2,784,184	
		<u>10,062,095</u>		<u>6,712,585</u>	
Creditors: amounts falling due within one year	13	(3,165,130)		(4,478,233)	
Net current assets			<u>6,896,965</u>		<u>2,234,352</u>
Net assets			<u>13,534,862</u>		<u>14,177,137</u>
Capital and reserves					
Called up share capital	15		3,500		3,500
Revaluation reserve	16		370,830		897,544
Profit and loss account	16		13,160,532		13,276,093
Shareholders' funds			<u>13,534,862</u>		<u>14,177,137</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 August 2013



Mr I Kirkpatrick
Director



Mr T E Milliken
Director

The notes on pages 12 to 24 form part of these financial statements

Prime Estates Limited and subsidiary companies

Consolidated cash flow statement for the year ended 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	23		(1,604,770)		5,220,161
Dividends from joint ventures and associated undertakings			-		-
Returns on investment and servicing of finance					
Interest received		1,577		8,797	
Interest paid		(131,332)		(642,462)	
Distributions from unlisted investments		47,421		34,278	
			(82,334)		(599,387)
Taxation					
Corporation tax paid			(395,620)		(1,623,718)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(8,000)		(16,875)	
Receipts from sales of tangible fixed assets		2,150,802		17,187,861	
Payments to acquire investments		(598)		(303,643)	
Receipt from disposal of investment		5,913,677		1,454,814	
Repayment of loan notes		-		266,430	
			8,055,881		18,588,587
Equity dividends paid			(3,146,650)		(19,277,952)
Net cash inflow before financing			2,826,507		2,307,691
Financing					
Repayment of loans			-		(5,282,500)
Minority interest			6,090		(85,937)
Increase/(decrease) in cash	24,25		2,832,597		(3,060,746)

The notes on pages 12 to 24 form part of these financial statements

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and are in accordance with applicable accounting standards. The financial statements are in compliance with the Companies Act 2006 except that, as explained below, the investment properties are not depreciated.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Prime Estates Limited and all its subsidiaries made up to 31 December 2012.

On 8 November 2001, a group reorganisation took place whereby Prime Estates Limited acquired shares in five companies by way of a share for share exchange with the existing shareholders of those companies. In this reorganisation, the share capital of Prime Estates Limited was subdivided from £1 shares into £0.01 shares. The share capital was then increased by £2,000 and shares were allotted in exchange for shares in the subsidiary companies acquired.

The intention of the reorganisation was to maintain the relative rights of the shareholders in the five subsidiary companies. The directors therefore consider that this reorganisation should be accounted for in accordance with the provisions of merger accounting.

In the consolidated financial statements, merged subsidiary undertakings are treated as if they had always been a member of the group. The results of these subsidiaries are included for the whole period in the year they join the group. Any difference between the nominal value of the shares acquired by the company and those issued by the company to acquire them is taken into reserves.

Joint ventures

An entity is treated as a joint venture where the group holds a long term interest and shares control under a contractual agreement.

In the group accounts, interests in joint ventures are accounted for using the gross equity method of accounting. The consolidated profit and loss account indicates the group's share of the joint venture's turnover and includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements.

In the consolidated balance sheet, the group's share of the identifiable gross assets (including any unamortised premium paid on acquisition) and its share of the gross liabilities attributable to its joint ventures are shown separately.

Associated companies

The group's share of profits less losses of associated undertakings is included in the consolidated profit and loss account, and the group's share of retained profits and reserves is added to the cost of the investment in the consolidated balance sheet. Where there is a deficiency in net assets the group's share thereof is shown as a provision for net liabilities of associated undertakings.

Gross rental income

This includes rents pertaining to the period under review, excluding Value Added Tax.

Rent increases arising from rent reviews due during a period are taken into account only to the extent that such reviews have been agreed with the tenants at the accounting date.

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies (*continued*)

Valuation of properties

Completed properties held for long term retention are valued at the balance sheet date at open market value. Surpluses and deficits arising from revaluations are treated in accordance with Statement of Standard Accounting Practice No. 19.

Depreciation

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation is provided in respect of freehold properties or leasehold properties with more than twenty years to expiry. This is a departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated. Such properties are not held for consumption but investment and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one among many factors reflected in the annual valuation of properties and accordingly, the amount of depreciation which might otherwise have been charged cannot be identified or quantified separately. The directors consider that this policy results in the accounts giving a true and fair view.

Depreciation is calculated to write off the cost of other tangible fixed assets over their expected useful lives at the following rates:

Plant and equipment - 10% to 35% on written down value

Stocks

Stocks are stated at the lower of cost and net realisable value.

Gains and losses on disposal of fixed assets

The profit or loss on the disposal of a tangible fixed asset is accounted for in the profit and loss account of the period in which the disposal occurs as the difference between the net sale proceeds and the carrying amount, whether carried at historical cost (less any provisions made) or at a valuation.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Profit and loss accounts of group undertakings which are prepared in foreign currencies are translated into sterling at the closing rate of exchange.

Related party transaction

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 and not disclosed transactions undertaken with companies that are part of the group and are 100% owned, as consolidated financial statements are publicly available.

Taxation

The charge for taxation is based on the profit for the year and taken into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

On disposal of an investment property the element of tax relating to profit in the year is charged to the profit and loss account and the element relating to earlier revaluation surpluses is included in the Statement of Total Recognised Gains and Losses.

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

1 Accounting policies (*continued*)

Taxation continued

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

Deferred tax balances are not discounted

Investments

Fixed asset investments are shown at cost less amount written off. Provisions are made for permanent reductions in value. Provisions for temporary fluctuations in value are not made. Income from investments is recognised on an annual basis.

2 Turnover

Turnover is wholly attributable to the principal activity of the group and arises solely within the United Kingdom

3 Other operating income

	2012 £	2011 £
Management fees receivable	5,618	9,766
Insurance commission	4,976	20,855
Other income	8,336	150,774
	18,930	181,395

4 Interest receivable

	2012 £	2011 £
Other interest	1,577	8,797
	1,577	8,797

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

5 Interest payable

	2012 £	2011 £
Bank interest	129,814	642,444
Other interest	1,518	18
	<u>131,332</u>	<u>642,462</u>

6 Profit on ordinary activities before taxation

	2012 £	2011 £
This is arrived at after charging		
Auditors remuneration - audit services	53,000	53,000
Depreciation	5,114	6,213
	<u></u>	<u></u>

7 Employees and directors

	2012 £	2011 £
Staff costs (including executive directors) consist of		
Wages and salaries	328,322	462,384
Staff incentive and redundancy costs	-	134,000
Social security costs	45,467	75,387
Pension costs	25,630	30,813
	<u>399,419</u>	<u>702,584</u>

The average number of employees during the year was 3 (2011 - 6)

	2012 £	2011 £
Directors' remuneration consists of		
Directors' emoluments	289,781	289,511
Pension contributions	16,171	16,171
	<u>305,952</u>	<u>305,682</u>

Emoluments of the highest paid director amounted to £215,322 (2011 - £215,052)

Pension contributions for the highest paid director amounted to £16,171 (2011 - £16,171)

Retirement benefits were accruing to one director during the year (2011 - 1)

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

8 Taxation on profit from ordinary activities

	2012 £	2011 £
<i>Current tax</i>		
UK corporation tax on profits of the year	393,573	633,938
Adjustment in respect of previous years	(18,320)	(22,097)
US taxation	58,244	773,093
Taxation on profit on ordinary activities	433,497	1,384,943

The tax assessed for the year differs from the standard rate of corporation tax in the UK The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	1,326,775	991,462
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	325,060	262,737
Effects of		
Expenses not deductible for tax purposes	161,110	647,159
Non-taxable income	(140,687)	-
Capital allowances and IBA's for year in excess of depreciation	(771)	(1,203)
Adjustments in respect of prior years	(18,320)	(22,097)
Overseas earnings tax adjustment	93,525	101,985
Loss/(profit) on disposal of fixed assets	(393,881)	418,340
Capital gains	407,461	24,736
Assessed loss brought forward	-	(87,670)
S161 TGCA adjustment re stock disposal	-	40,947
Current tax charge for year	433,497	1,384,934

9 Dividends

	2012 £	2011 £
The following dividends were paid in the period		
Interim dividend of £5.037256 per share (2011 - £8.5096 per share)	1,763,040	2,978,360
2 nd interim dividend of £1.314286 per share (2011 - £2.144 per share)	460,000	750,400
3 rd interim dividend of £2.52 per share (2011 - £3.98766 per share)	882,000	1,395,680
4 th interim dividend of £0.1188854 per share (2011 - 31.601 per share)	41,610	11,060,000
5 th interim dividend of £Nil per share (2011 - £7.25 per share)	-	2,537,500
6 th interim dividend of £Nil per share (2011 - £1.588606 per share)	-	556,012
	3,146,650	19,277,952

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

10 Tangible fixed assets

Group	Freehold property £	Leasehold property £	Plant and equipment £	Total £
Cost or valuation				
At 1 January 2012	15,938,000	459,000	142,586	16,539,586
Additions at cost	8,000	-	-	8,000
Disposals at valuation	(3,837,000)	(469,000)	-	(4,306,000)
Valuation adjustment	(595,000)	12,000	-	(583,000)
	<u>11,514,000</u>	<u>2,000</u>	<u>142,586</u>	<u>11,658,586</u>
At 31 December 2012	11,514,000	2,000	142,586	11,658,586
Representing				
Cost	-	-	142,586	142,586
Valuation	11,514,000	2,000	-	11,516,000
	<u>11,514,000</u>	<u>2,000</u>	<u>142,586</u>	<u>11,658,586</u>
Depreciation				
At 1 January 2012			102,276	102,276
Charge for the year			5,114	5,114
			<u>107,390</u>	<u>107,390</u>
At 31 December 2012			107,390	107,390
Net book value				
At 31 December 2012	11,514,000	2,000	35,196	11,551,196
	<u>15,938,000</u>	<u>459,000</u>	<u>40,310</u>	<u>16,437,310</u>
At 31 December 2011	15,938,000	459,000	40,310	16,437,310

The group

An open market valuation was carried out on 31 December 2012 by the directors. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

The historical cost of the land and buildings was £7,009,100 (2011 - £8,687,157).

The amount of tax that would be payable if the company's revalued investment properties were sold at their open market value is £Nil (2011 - £Nil).

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

10 Tangible fixed assets (continued)

Company	2012 £	2011 £
<i>Freehold land and buildings at valuation</i>		
At 1 January 2012	9,212,999	13,064,999
Disposals	(3,309,000)	(2,882,000)
Revaluation deficit	(278,000)	(970,000)
At 31 December 2012	5,625,999	9,212,999

11 Fixed asset investments

Group	Investment in joint ventures £	Other investments £	Total £
Cost			
At 1 January 2012	-	2,008,834	2,008,834
Additions	-	598	598
Exchange movements	-	(22,662)	(22,662)
Disposals	-	(2,150,802)	(2,150,802)
Impairment provision	-	352,116	352,116
At 31 December 2012	-	188,084	188,084
Share of retained profits/(losses)			
At 1 January 2012	19,063	89,208	108,271
Exchange movements	-	(3,381)	(3,381)
Profit for the year	(4,440)	114,946	110,506
Distributions	(14,623)	(32,798)	(47,421)
At 31 December 2012	-	167,975	167,975
Net book value			
At 31 December 2012	-	356,059	356,059
At 31 December 2011	19,063	2,098,042	2,117,105

The investment in joint ventures at the year end represents a 49.99995% interest in Ampere Property LLP, registered in England and whose principal activity is property investment

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

11 Fixed asset investments (continued)

Group

Other investments comprise

- (i) An investment of £Nil (2011 - £1,763,040) in the Brinson Partnership Fund
- (ii) Investments of £356,059 (2011 - £335,002) in joint venture partnerships, real estate investments and other marketable investments in the United States of America

Joint ventures

The group had the following aggregate interests in joint ventures

	2012 £	2011 £
Share of assets		
Share of current assets	-	26,063
	-	26,063
Share of liabilities	-	(7,000)
	-	19,063

Company	Investment in subsidiary undertakings £	Other Investments £	Total £
Cost			
At 1 January 2012	966,746	1,763,040	2,729,786
Additions	45,152	-	45,152
Disposals	-	(1,763,040)	(1,763,040)
At 31 December 2012	1,011,898	-	1,011,898
Net book value			
At 31 December 2012	1,011,898	-	1,011,898
At 31 December 2011	966,746	1,763,040	2,729,786

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

11 Fixed asset investments (continued)

Company

Details of principal subsidiary undertakings are set below

Registered in England and wholly owned either directly or indirectly

Prime Estates (Northumbria) Limited	Prime Estates (Houghton Regis) Limited
Wilbury Investments Limited	EP (Andover) Limited
Wilbury Estates Limited	EP (Hillgate) Limited
Prime Estates Services Limited	HIE (Hunting Gate) Limited
Erecta (Hitchin) Limited	Erecta (Hunting Gate) Limited
Hitchin Industrial Estates Limited	BFE (Wilbury Way) Limited
Bury Field Estates Limited	Prime Estates (East Anglia) Limited
EP Investments Limited	Wilbury Management Limited

Registered in the United States of America

Erecta Properties (North America) Inc (100% owned)
Wilbury West Investments LLC (97% owned)

The principal activity of all subsidiary undertakings is that of property investment, except Prime Estates (Houghton Regis) Limited which is engaged in property development

12 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade debtors	2,564,888	442,167	2,468,565	246,667
Other debtors	54,826	133,484	-	38,151
Prepayments and accrued income	254,421	505,021	4,738	6,614
Amounts owed by subsidiary undertakings	-	-	1,952,555	3,636,969
	<u>2,874,135</u>	<u>1,080,672</u>	<u>4,425,858</u>	<u>3,928,401</u>

All amounts shown under debtors fall due for payment within one year

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

13 Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade creditors	19,114	20,247	15,750	7,483
Corporation tax	319,622	281,745	218,978	8,856
Other taxes	989,481	173,553	973,784	50,552
Other creditors	74,345	88,891	26,702	43,199
Accruals and deferred income	873,538	1,136,973	167,148	242,015
Amounts due to subsidiary undertakings	-	-	1,762,768	4,126,128
	<u>2,276,100</u>	<u>1,701,409</u>	<u>3,165,130</u>	<u>4,478,233</u>

14 Creditors: amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Loans and mortgages				
Bank loans	10,000	10,000	-	-
	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>

The borrowings are secured by fixed charges over freehold and leasehold property of the group and by floating charges over assets of certain group companies. Various group companies act as sureties for the subsidiary companies' borrowings.

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts repayable between one and two years	10,000	10,000	-	-
Amounts repayable between two and five years	-	-	-	-
	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

15 Called-up share capital

	Issued and fully paid	
	2012	2011
	£	£
350,000 Ordinary shares of £0.01 each	3,500	3,500

16 Reserves

Group	Revaluation reserves £	Profit and loss account £	Merger reserve £	Total £
At 1 January 2012	10,955,415	9,938,946	578,038	21,472,399
Profit for the year	-	905,993	-	905,993
Dividends paid	-	(3,146,650)	-	(3,146,650)
Valuation deficit for the year	(348,509)	-	-	(348,509)
Reserve transfer	(2,627,943)	2,627,943	-	-
Exchange movement	-	(119,089)	-	(119,089)
At 31 December 2012	7,978,963	10,207,143	578,038	18,764,144

Company	Revaluation reserves £	Profit and loss account £	Total £
At 1 January 2012	897,544	13,276,093	14,173,637
Profit for the year	-	2,577,884	2,577,884
Dividends paid	-	(3,146,650)	(3,146,650)
Valuation deficit for the year	(73,509)	-	(73,509)
Reserve transfer	(453,205)	453,205	-
At 31 December 2012	370,830	13,160,532	13,531,362

Results for the financial year

The company has taken advantage of the exemption under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements

17 Minority interest

	2012 £	2011 £
Minority interest comprises		
Net assets of a subsidiary	23,138	29,763

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

18 Contingent liabilities

No such liabilities are known to the directors

19 Commitments under operating leases

As at 31 December 2012, the company had annual commitments under non-cancellable operating leases as set out below

	Land and Buildings 2012 £	Land and buildings 2011 £
Operating leases which expire		
Over five years	-	6,575

20 Post balance sheet events

No events have occurred since the balance sheet date which have any material effect on these financial statements

21 Capital commitments

There were no such commitments at 31 December 2012 (2011 - £Nil)

22 Related party transactions

- (i) The group rented properties on normal commercial terms at a cost of £85,906 (2011 - £85,906) to companies of which Mr H J H Bandet was a director and shareholder of their holding company
- (ii) Management and consultancy fees totalling £119,961 (2011 - £121,174) were charged by a company of which Mr H J H Bandet was a director and shareholder
- (iii) Management fees totalling £24,615 (2011 - £25,585) were paid to Ms R E L Bandet by a group company

Prime Estates Limited and subsidiary companies

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

23 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	(264,332)	4,081,017
Depreciation charges	5,114	6,213
Share of fund income	(110,506)	(141,345)
Profit on maturing endowment policies	-	233,040
Exchange loss	26,043	(7,675)
Decrease in stock	-	1,555,000
Decrease/(increase) in debtors	(1,797,903)	464,124
Decrease in creditors	536,814	(970,213)
Net cash inflow from operating activities	(1,604,770)	5,220,161

24 Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
(Decrease)/increase in cash in the year	2,832,597	(3,060,746)
Repayment of loans	-	5,282,500
Change in net debt from cash flows	2,832,597	2,221,754
Exchange translation	(119,089)	19,103
Change in net debt	2,713,508	2,240,857
Net funds/(debt) at 1 January 2012	3,571,984	1,331,127
Net funds at 31 December 2012	6,285,492	3,571,984

25 Analysis of net debt

	At 1 January 2012 £	Cash flow £	Non cash items £	At 31 December 2012 £
Cash at bank and in hand	3,581,984	2,832,597	(119,089)	6,295,492
Debt due within one year	-	-	-	-
Debt due after more than one year	(10,000)	-	-	(10,000)
	3,571,984	2,832,597	(119,089)	6,285,492

Non cash items represent exchange gains on the translation of foreign currency cash balances