

Report of the Directors and
Financial Statements for the Year Ended 31 December 2014
for
Prime Estates Limited

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for the Year Ended 31 December 2014

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Prime Estates Limited

Company Information
for the Year Ended 31 December 2014

DIRECTORS:

Ms R E L Bandet
J B Boyer
Mrs I A M F Boyer
T E Milliken

SECRETARY:

N J Alexander

REGISTERED OFFICE:

38/39 Bucklersbury
Hitchin
Hertfordshire
SG5 1BG

REGISTERED NUMBER:

01823607 (England and Wales)

AUDITORS:

BDO LLP
55 Baker Street
London
W1U 7EU

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

Ms R E L Bandet
J B Boyer
Mrs I A M F Boyer
T E Milliken

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 of 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 judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

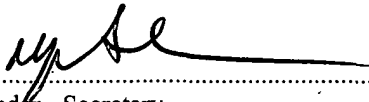
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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.

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

ON BEHALF OF THE BOARD:


.....
N J Alexander - Secretary

Date: 1 September 2015

**Report of the Independent Auditors to the Members of
Prime Estates Limited**

We have audited the financial statements of Prime Estates Limited for the year ended 31 December 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 set out on page two, 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 Financial Reporting Council's (FRC'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 FRC'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 company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

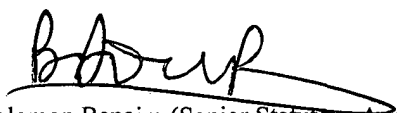
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Solomon Benaim (Senior Statutory Auditor)
For and on behalf of BDO LLP
London, UK

Date:

1/9/2015

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

Prime Estates Limited (Registered number: 01823607)

Profit and Loss Account
for the Year Ended 31 December 2014

	Notes	31.12.14 £	£	31.12.13 £	£
TURNOVER			840,506		548,962
Cost of sales			<u>251,677</u>		<u>46,998</u>
GROSS PROFIT			588,829		501,964
Administrative expenses			<u>265,995</u>		<u>(376,978)</u>
			322,834		878,942
Other operating income			<u>87,149</u>		<u>116,975</u>
OPERATING PROFIT	2		409,983		995,917
Income from fixed asset investments		2,886,904		784,153	
Interest receivable and similar income		<u>1,914</u>		<u>790</u>	
			<u>2,888,818</u>		<u>784,943</u>
			3,298,801		1,780,860
Interest payable and similar charges			<u>-</u>		<u>280</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			3,298,801		1,780,580
Tax on profit on ordinary activities	3		<u>-</u>		<u>(5,739)</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>3,298,801</u></u>		<u><u>1,786,319</u></u>

All amounts relate to continued activities.

The notes on pages 7 to 11 form part of these financial statements

Prime Estates Limited (Registered number: 01823607)

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2014

	31.12.14 £	31.12.13 £
PROFIT FOR THE FINANCIAL YEAR	3,298,801	1,786,319
Unrealised surplus on revaluation of properties	18,942	207,200
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>3,317,743</u></u>	<u><u>1,993,519</u></u>

The notes on pages 7 to 11 form part of these financial statements

Prime Estates Limited (Registered number: 01823607)

Balance Sheet
31 December 2014

	Notes	31.12.14 £	31.12.13 £
FIXED ASSETS			
Tangible assets	5	27,990	-
Investments	6	1,188,126	1,011,898
Investment property	7	9,957,999	6,423,999
		11,174,115	7,435,897
CURRENT ASSETS			
Debtors	8	1,207,271	2,430,140
Cash at bank and in hand		2,383,206	2,722,515
		3,590,477	5,152,655
CREDITORS			
Amounts falling due within one year	9	794,318	1,323,521
NET CURRENT ASSETS		2,796,159	3,829,134
TOTAL ASSETS LESS CURRENT LIABILITIES		13,970,274	11,265,031
CAPITAL AND RESERVES			
Called up share capital	10	3,500	3,500
Revaluation reserve	11	596,972	578,030
Profit and loss account	11	13,369,802	10,683,501
SHAREHOLDERS' FUNDS		13,970,274	11,265,031

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Board of Directors on 1 September 2015 and were signed on its behalf by:


.....
T E Milliken - Director

Notes to the Financial Statements
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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.

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

Tangible fixed assets

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:

Fixtures and fittings - 10% to 25% on written down value

Computer equipment - 33% on written down value

Improvements to property - 25% on written down 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.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by shareholders at an annual general meeting.

Receivable equity dividends are recognised when they become legally receivable.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.14	31.12.13
	£	£
Depreciation - owned assets	1,120	-
Profit on disposal of fixed asset investments	(141,531)	-
Auditors' remuneration	35,600	39,000
Foreign exchange differences	-	71
Pension costs	8,595	-
Provision (written back)/ taken on revaluation of investment properties	<u>(16,192)</u>	<u>590,800</u>
Directors' remuneration and other benefits etc	<u>64,682</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.12.14	31.12.13
	£	£
Current tax:		
UK corporation tax	-	(5,739)
Tax on profit on ordinary activities	<u>-</u>	<u>(5,739)</u>

4. DIVIDENDS

	31.12.14	31.12.13
	£	£
Ordinary shares of 1p each		
Interim	<u>612,500</u>	<u>4,263,350</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
Additions	<u>932</u>	<u>26,990</u>	<u>1,188</u>	<u>29,110</u>
At 31 December 2014	<u>932</u>	<u>26,990</u>	<u>1,188</u>	<u>29,110</u>
DEPRECIATION				
Charge for year	<u>78</u>	<u>911</u>	<u>131</u>	<u>1,120</u>
At 31 December 2014	<u>78</u>	<u>911</u>	<u>131</u>	<u>1,120</u>
NET BOOK VALUE				
At 31 December 2014	<u>854</u>	<u>26,079</u>	<u>1,057</u>	<u>27,990</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2014	1,011,898
Additions	1,097,601
Disposals	<u>(921,373)</u>
At 31 December 2014	<u>1,188,126</u>
NET BOOK VALUE	
At 31 December 2014	<u>1,188,126</u>
At 31 December 2013	<u>1,011,898</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Prime Estates (Northumbria) Limited
Nature of business: Property investment

Class of shares:	%
Ordinary	holding 100.00

Prime Estates Services Limited
Nature of business: Property investment

Class of shares:	%
Ordinary	holding 100.00

Bury Field Estates Limited
Nature of business: Property investment

Class of shares:	%
Ordinary	holding 100.00

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

6. FIXED ASSET INVESTMENTS - continued

Erecta (Hitchin) Limited

Nature of business: Property investment

	%
Class of shares:	holding
Ordinary	100.00

Wilbury Management Limited

Nature of business: Property investment

	%
Class of shares:	holding
Ordinary	100.00

7. INVESTMENT PROPERTY

COST OR VALUATION

At 1 January 2014	Total £
Additions	6,423,999
Revaluations	3,498,866
	<u>35,134</u>
At 31 December 2014	<u>9,957,999</u>
NET BOOK VALUE	
At 31 December 2014	<u>9,957,999</u>
At 31 December 2013	<u>6,423,999</u>

An open market valuation was carried out on 31 December 2014 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 investment properties were £9,344,836 (2013 - £5,845,970).

The amount of tax that would be payable if the company's revalued investment properties were sold at their open market value is £Nil (2013 - £Nil)

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£	£
Trade debtors	133,257	183,304
Amounts owed by group undertakings	978,864	2,098,487
Other debtors	<u>95,150</u>	<u>148,349</u>
	<u>1,207,271</u>	<u>2,430,140</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£	£
Trade creditors	14,969	15,415
Amounts owed to group undertakings	495,681	1,051,161
Taxation and social security	45,609	38,175
Other creditors	<u>238,059</u>	<u>218,770</u>
	<u>794,318</u>	<u>1,323,521</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31.12.14 £	31.12.13 £
350,000	Ordinary shares	1p	<u>3,500</u>	<u>3,500</u>

11. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2014	10,683,501	578,030	11,261,531
Profit for the year	3,298,801	-	3,298,801
Dividends	(612,500)	-	(612,500)
Revaluation of investment properties	-	18,942	18,942
At 31 December 2014	<u>13,369,802</u>	<u>596,972</u>	<u>13,966,774</u>

12. RELATED PARTY DISCLOSURES

At the year end, the company was owed £977,979 (2013 - £1,896,201) from Prime Estates (Northumbria) Limited, a wholly owned subsidiary. The company charged consultancy fees of £58,346 to Prime Estates (Northumbria) Limited during the year. The company acquired a property for £531,000 from Prime Estates (Northumbria) Limited during the year. The company was charged £70,299 by Prime Estates (Northumbria) Limited for property refurbishment costs during the year.

At the year end, the company was owed £885 (2013 - owed £158) from Wilbury Management Limited, a wholly owned subsidiary. The company received dividends of £11,815 from Wilbury Management Limited during the year.

At the year end, the company owed £495,681 (2013 - was owed £202,286) to Prime Estates Services Limited, a wholly owned subsidiary. The company was charged management fees of £10,085 by Prime Estates Services Limited during the year. The company received rent of £14,155 from Prime Estates Services Limited during the year.

The company received £25,154 consultancy fees during the year from Erecta (Hitchin) Limited, a wholly owned subsidiary. The company acquired a property from Erecta (Hitchin) Limited for £2,797,000 during the year. The company acquired wholly owned subsidiaries from Erecta (Hitchin) Limited for £1,097,601 during the year. The company received dividends of £2,868,244 from Erecta (Hitchin) Limited during the year.

The company received dividends of £6,845 during the year from Bury Field Estates Limited, a wholly owned subsidiary.

As at 31 December 2013, the company also owed the following amounts to previous wholly owned subsidiaries:

- Wilbury Investments Limited - £2
- Wilbury Estates Limited - £2
- Prime Estates (CI) Limited - £2
- Prime Estates (East Anglia) Limited - £1
- Prime Estates (Stevenage) Limited - £1
- Prime Estates (Houghton Regis) Limited - £1,050,995

During the year the company declared and paid dividends of £226,438 to H J H Bandet, £225,333 to R E L Bandet and £160,729 to Boyer Investments Ltd.