crt property investments ltd

CRT PROPERTY INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDING 31 MARCH 2016

COMPANY NUMBER 8380021

WEDNESDAY
A5HEZ4CB
A17 12/10/2016 #280
COMPANIES HOUSE

crt property
investments ltd

CONTENTS

	Page
Corporate information	1
Strategic report	2
Directors' report	3-4
Directors' responsibilities statement	5
Independent auditor's report to the members of CRT Property Investments Limited	6-7
Income statement for the year ended 31 March 2016	8
Statement of comprehensive income	8
Statement of financial position as at 31 March 2016	9
Statement of changes in equity for the year ended 31 March 2016	10
Notes to the financial statements for the year ended 31 March 2016	11-17

crt property
investments ltd

Corporate Information

Company Number
08380021

Directors
Gary Ellis
Louise Dyson
Nicolas Wilson (appointed 24/6/15)
Terence O'Neill (appointed 24/6/15)

Secretary
Louise Dyson

Registered Office
1 Waterside Park
Valley Way
Wombwell
Barnsley
S73 0BB

Bankers
Handelsbanken
1st Floor, Copia House
Great Cliffe Court
Great Cliffe Road
Dodworth
Barnsley
S75 3SP

crt property
investments ltd

Strategic Report

The directors present their strategic report for the year ended 31 March 2016

Review of the business

The company's principal activity during the year continued to be the business of a property owning investment company.

Key financial indicators for the year were as follows:

	2016	2015
	£'000	£'000
Turnover – rent receivable	**2,031**	1,537
Profit after tax	**1,674**	689
Equity shareholders' funds	**16,348**	232

Turnover increased by 32% during the year due to the effect of additions to the property portfolio in the previous year and a further 3 acquisitions in the current year.
The company also completed its first development and disposed of one property during the year.

On 16 March 2016 the trustees of the parent charity agreed to a gift to the company by way of releasing it from the obligation to pay part of its Limited Recourse Loans. This forgiveness of debt created an increase in the general reserves of the company of £5,000,000.

Principal risks and uncertainties

The Directors have considered the principal risks and uncertainties facing the company.
Risk is a key consideration when setting the strategy for the company.
The property risk register is regularly reviewed in accordance with the risk management framework and discussed at property management meetings and at company board meetings.
The portfolio and strategy are also reviewed on a regular basis with external advisors.
The rental income generated from the existing portfolio has a good mix of tenants with a strong covenant base and substantial lease periods. The average weighted unexpired lease term is approximately 5 years.
The portfolio has been purchased taking into account the need to mitigate the risk of uncertain future rental income and the importance of this income to ensure adequate funds can be gift aided back to the parent charity.
While capital values are much more difficult to predict the directors consider the current portfolio has many opportunities on the upside to increase overall asset value.
The company has entered into a loan arrangement with Svenska Handelsbanken and has put in place the necessary checks and controls to ensure the company operates within the covenants set out in the loan agreement.

By order of the board

L Dyson

Louise Dyson
Secretary
21 September 2016



crt **property**
investments ltd

Directors' report

The directors present their report for the year ended 31 March 2016.

Directors of the company

The directors who held office during the year and after the period under review are as follows:

Gary Ellis
Louise Dyson
Nicolas Wilson (appointed 24/6/15)
Terence O'Neill (appointed 24/6/15)

Dividends

The directors do not recommend payment of a dividend.
The company will make a payment of £2,155k (2015: £1,338k) to its holding company, The Coalfields Regeneration Trust, through the gift aid scheme.

Future developments

The directors will continue to look for suitable properties and development opportunities in which to invest.

Financial instruments

Financial instruments are made up of financial assets which comprise cash and debtors measured at amortised cost and financial liabilities which comprise deferred consideration and group loans measured at fair value, rent received in advance, accruals and bank loans measured at amortised cost.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors' liabilities

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity insurance remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Each director has taken all steps that they are obliged to

take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Reappointment of auditors

In accordance with s.487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

G. Ellis

Gary Ellis
Director
21 September 2016

crt property
investments ltd

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 of the profit or loss for that period.

In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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 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.

crt property investments ltd

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRT PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of CRT Property Investments Limited for the year ended 31 March 2016 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.

Malcolm C Harding

Malcolm Harding (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

6 October 2016

crt property investments ltd

Income statement for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
TURNOVER	4	**2,031**	1,537
Cost of sales		**-**	-
GROSS PROFIT		**2,031**	1,537
Administrative expenses		**(321)**	(223)
Other operating income		**530**	-
Fair value adjustments on investment property		**185**	(381)
Profit before interest		**2,425**	933
Interest receivable and similar income		**8**	24
Interest payable and similar expenses	7	**(328)**	-
PROFIT BEFORE TAXATION	5	**2,105**	957
Tax on profit	8	**(431)**	(268)
PROFIT FOR THE FINANCIAL YEAR		**1,674**	689

Statement of comprehensive income

Profit for the financial year	**1,674**	689
Unrealised surplus (deficit) on revaluation of freehold properties	**-**	-
Tax expense	**-**	-
Total comprehensive income in relation to the year	**1,674**	689

The notes on pages 11 to 17 form part of these financial statements.

crt property investments ltd

Statement of financial position as at 31 March 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Property, plant and equipment	9	**305**	525
Investment property	10	**31,230**	25,150
		31,535	25,675
CURRENT ASSETS			
Debtors	11	**25**	2
Cash at bank and in hand		**2,256**	3,709
		2,281	3,711
CREDITORS			
Amounts falling due within one year	12	**(4,263)**	(29,154)
NET CURRENT ASSETS (LIABILITIES)		**(1,982)**	(25,443)
TOTAL ASSETS LESS CURRENT LIABILITIES		**29,553**	232
CREDITORS			
Amounts falling due after more than one year	13	**(13,205)**	-
PROVISIONS FOR LIABILITIES	15	**-**	-
NET ASSETS		**16,348**	232
CAPITAL AND RESERVES			
Called up share capital		**-**	-
Non-distributable reserve		**10,540**	-
Profit and loss account		**5,808**	232
TOTAL EQUITY		**16,348**	232

These financial statements were approved and authorised for issue by the board on September 2016.
Signed on behalf of the board of directors

G Ellis

Gary Ellis
Director
21 September 2016

The notes on pages 11 to 17 form part of these financial statements.



crt **property**
investments ltd

Statement of changes in equity for the year ended 31 March 2016

	Share capital £'000	Retained earnings £'000	Non-distributable £'000	Total £'000
Balance at 1 April 2015	-	232	-	232
Capital contribution		5,000	10,540	15,540
Profit for the year		1,674		1,674
Gift aid payment		(1,366)		(1,366)
Current tax credit		268		268
Effect of gift aid		(1,098)		(1,098)
Balance at 31 March 2016	-	5,808	10,540	16,348

On 16 March 2016 the trustees of the parent charity agreed to a gift to the company by way of releasing it from the obligation to pay £5,000,000 of its Limited Recourse Loan due to the parent. Forgiveness of the debt created an increase in the general reserves of the company of £5,000,000.

Fair value adjustment for interest on the remaining Limited Recourse Loan results in a capital contribution of £10,540,409.

Notes to the financial statements for the year ended 31 March 2016

1 Statutory information

CRT Property Investments Limited is a company domiciled in England and Wales, registration number 0838002. The registered office is 1 Waterside Park, Valley Way, Wombwell, Barnsley, South Yorkshire, S73 0BB.

2 Compliance with accounting standards

The financial statements have been prepared in accordance with FRS 102. There were no material departures from that standard.

3 Accounting policies

Basis of preparation of financial statements
These financial statements for the year ended 31 March 2016 are the first financial statements that comply with FRS 102. The date of transition is 1 April 2014.
The transition to FRS 102 has resulted in a small number of changes in accounting policies to those used previously.
The nature of these changes and their impact on opening equity and profit for the comparative period are explained in notes and below.
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.
The presentation currency is £ sterling.

Investment property
Investment property is carried at fair value. Revaluation surpluses are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Property, plant and equipment
Assets under construction are carried at cost and on completion transferred to investment property.

Income recognition
Rental income is recognised on a straight line basis over the period of the lease.

Deferred taxation
Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes.
Tax deferred or accelerated is accounted for in respect of all material timing differences.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Limited Recourse Loans
Limited recourse loans which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loans that are repayable within one year are not discounted.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.
Any losses arising from impairment are recognised in the income statement in other operating expenses.

Interest-bearing loans and borrowings
All interest bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the lender (including interest). Subsequently, they are measured at amortised cost using the effective interest method.

4 Turnover

The company's turnover represents the value, excluding value added tax, of rental income receivable from tenants during the year.
All turnover relates to the United Kingdom.

5 Profit before tax

	2016 £'000	2015 £'000
Profit before tax is stated after charging:		
Directors' remuneration	**-**	-
Auditors' remuneration		
Audit	**4**	3
Taxation compliance services	**5**	-
Other non-audit services	**-**	5
And after crediting:		
Profit on sale of tangible fixed assets	**123**	-

6 Staff costs

(a) Staff costs

	2016 £'000	2015 £'000
Wages and salaries	**68**	62
Social security costs	**9**	8
Other pension costs	**4**	3
	81	73

The average monthly number of employees during the year was made up as follows:

	No.	No.
Property management	**1**	1

b) Directors' remuneration

The directors were not paid or did not receive any other benefits from employment with the company in the year (2015: £nil). No director received payment for professional or other services supplied to the company (2015: £nil)

7 Interest payable and similar expenses

		2016	2015
		£'000	£'000
Interest payable	- bank loans	**25**	-
	- limited recourse loans	**303**	-
		328	-

8 Taxation

Analysis of charge for the year

	2016	2015
	£'000	£'000
Current tax:		
UK Corporation tax on profits for the year	**431**	268
Deferred tax:		
Origination and reversal of timing differences	**-**	-
Total tax	**431**	268

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (20%). The differences are explained as follows:

	2016	2015
	£'000	£'000
Profit before tax	**2,105**	957
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 20%)	**421**	192
Effects of:		
Expenses not deductible for tax purposes	**56**	-
Unrealised fair value adjustments	**(37)**	76
Indexation allowance	**(9)**	-
Tax charge for the year (see above)	**431**	268

Gift aid of £2,155k will be paid subsequent to the year-end but within the nine months required by tax regulations.

9 Property Plant and Equipment

	Assets under construction £'000
Cost	
At 1 April 2015	**525**
Additions	**1,158**
Disposals	**-**
Transfer to investment property	**(1,378)**
At 31 March 2016	**305**
Depreciation	
At 1 April 2015	-
Charge for the year	-
At 31 March 2016	-
Net book value	
At 31 March 2016	**305**
At 31 March 2015	**525**

10 Investment property

	Total £'000
Fair value	
At 1 April 2015	**25,150**
Additions	**5,287**
Disposals	**(770)**
Net gains or losses from fair value adjustments	**185**
Transfer from property, plant and equipment	**1,378**
At 31 March 2016	**31,230**

The historical cost of investment properties held at fair value is as follows:

At 31 March 2016	**31,883**
At 31 March 2015	25,988

The investment properties were valued at 31 March 2016 by BNP Paribas Real Estate, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued, on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institute of Chartered Surveyors.

11 Debtors

	2016 £'000	2015 £'000
Prepayments and accrued income	**25**	2
	25	2

12 Creditors – amounts falling due within one year

	2016 £'000	2015 £'000
Rent received in advance	**468**	383
Deferred consideration	**100**	-
Amounts owed to group undertakings	**3,007**	28,410
Corporation tax	**431**	268
Other tax	**60**	21
Accruals	**197**	72
	4,263	29,154

13 Creditors – amounts falling due after more than one year

	2016 £'000	2015 £'000
Deferred consideration	**371**	-
Bank loan	**2,650**	-
Amounts owed to group undertakings	**10,167**	-
Accruals	**17**	-
	13,205	-

14 Loans

Loans repayable, included within creditors, are analysed as follows:

	2016 £'000	2015 £'000
Wholly repayable within five years	**3,121**	28,404
Not wholly repayable within five years	**10,167**	-
	13,288	28,404

Details of loans not wholly repayable within five years are as follows:

Limited recourse loan from parent company	**10,167**	-

The bank loan is secured by fixed charges over a number of the company's properties.

15 Provisions for liabilities

	Deferred taxation £'000
Balance at 1 April 2015	-
Charge for the year	
Balance 31 March 2016	

16 Related party transactions

During the year the company paid management charges of £64k to its parent company.

17 Controlling party

The company is a wholly owned subsidiary of The Coalfields Regeneration Trust, a company limited by guarantee and incorporated in the United Kingdom.

18 Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014.

The impact from the transition to FRS 102 is as follows:

Reconciliation of equity

		At 1 April 2014			At 31 March 2015		
	Note	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
Fixed assets		13,200		13,200	25,675		25,675
Current assets		2,792		2,792	3,711		3,711
Creditors: amounts falling due within one year	a,c	(303)	(15,685)	(15,988)	(482)	(28,672)	(29,154)
Net current assets (liabilities)		2,489		(13,196)	3,229		(25,443)
Total assets less current liabilities		15,689		4	28,904		232
Creditors: amounts falling due after one year	a	(15,685)	15,685	-	(28,404)	28,404	-
Net assets		4		4	500		232
Profit and loss account	b	461	(457)	4	1,338	(1,106)	232
Revaluation reserve	b	(457)	457	-	(838)	838	-
Capital and reserves		4		4	500		232

crt property investments ltd

Reconciliation of profit and loss account

	Notes	Year ended 31 March 2015 As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
Turnover		1,537		1,537
Cost of sales		-		-
Gross profit		1,537		1,537
Administration costs		(223)		(223)
Fair value adjustments on investment properties	b		(381)	(381)
Profit before interest		1,314		933
Interest receivable and similar income		24		24
Interest payable and similar expense		-		-
Profit before tax		1,338		957
Current tax	c	-	(268)	(268)
Deferred tax		-		-
Taxation		-		(268)
Profit after tax		1,338		689
Statement of total recognised gains & losses				
Profit for the year		1,338		689
Gift aid payment		(461)		(461)
Unrealised gains and losses	b	(381)	381	-
Total recognised gains and losses for the year		496		228

Notes

a Loans from the parent company previously categorised as due after more than one year were actually repayable on 31 March 2015.

b Under FRS 102 changes in the fair value of investment properties are recorded in the profit and loss account. Under previous UK GAAP these changes were recorded in the Statement of Total Recognised Gains and Losses.

c Under FRS 102 the tax effect of trading profit and of gift aid are required to be shown separately.