

**Crisp Investment Limited**

**Directors' report and financial  
statements**

**Registered number SC226313**

**30 June 2014**

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## Directors' report

The directors present their report and financial statements for the 15 month period ended 30 June 2014. On 19 March 2014 the company changed its year end to 30 June and therefore comparative figures are for the year ended 31 March 2013.

### Principal activities

The principal activity of the company continued to be that of purchase and development of property for letting and re-sale.

### Results

The results for the period are set out on page 4.

### Going concern

This company is a subsidiary of one of 3 companies, CSG Investments Limited, CSG Hotels and Apartments Limited and CSG Commercial Limited, under the common control of Christopher Stewart. These companies manage their and their respective subsidiaries day to day and medium to long term funding requirements through a combination of cash balances, related party borrowings, bank funding and shareholder loans. Forecasts are prepared which consider all of the companies on a combined basis for a period of at least 12 months from the date of signing of these accounts. These forecasts indicate that this and the other companies can operate within the conditions and covenants of the bank facilities and overall level of all available facilities for that period. The directors have therefore prepared the company's financial statements on a going concern basis.

### Directors

The directors who held office during the period and to the date of this report were as follows:

Christopher Stewart

Archie Aiton (appointed 21 June 2013)

### Statement of disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has confirmed that they have taken all the 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.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**Christopher Stewart**  
Director

The Tower  
Advocates Close  
Edinburgh  
EH1 1ND

27 April 2015

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 judgments and estimates that are reasonable and prudent; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

Saltire Court

20 Castle Terrace

Edinburgh EH1 2EG

United Kingdom

## **Independent auditor's report to the members of Crisp Investment Limited**

We have audited the financial statements of Crisp Investment Limited for the 15 month period ended 30 June 2014 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Report Standard for Smaller Entities (Effective April 2008) (UK 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 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 2, 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](http://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 30 June 2014 and of its profit for the 15 month period then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Emphasis of matter – prior period financial statements**

In forming an opinion on the financial statements, which is not modified, we note as explained further in note 1 to the financial statements, that the prior period financial information was not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

### **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.

**Hugh Harvie (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

27 April 2015

## Profit and Loss Account

for the 15 month period ended 30 June 2014

|                                                      | Note | 15 months to<br>30 June<br>2014<br>£ | Year to<br>31 March<br>2013<br>£ |
|------------------------------------------------------|------|--------------------------------------|----------------------------------|
| <b>Turnover</b>                                      |      | <b>313,707</b>                       | 288,801                          |
| Cost of sales                                        |      | (20,815)                             | (16,700)                         |
| <b>Gross profit</b>                                  |      | <b>292,892</b>                       | 272,101                          |
| Administrative expenses                              |      | (44,123)                             | (70,230)                         |
| Other operating income                               |      | 7,017                                | 7,238                            |
| <b>Operating profit</b>                              | 2    | <b>255,786</b>                       | 209,109                          |
| Profit on disposal of investment property            |      | 27,050                               | -                                |
| Interest payable and similar charges                 | 3    | (124,779)                            | (171,181)                        |
| <b>Profit on ordinary activities before taxation</b> |      | <b>158,057</b>                       | 37,928                           |
| Tax on profit on ordinary activities                 | 4    | (8,253)                              | -                                |
| <b>Profit for the financial period/year</b>          | 11   | <b>149,804</b>                       | 37,928                           |

All activities of the company are classed as continuing

The notes on pages 7 to 12 form an integral part of these financial statements.

**Balance Sheet**  
*at 30 June 2014*

|                                                                | <i>Note</i> | <b>30 June<br/>2014<br/>£</b> | <b>30 June<br/>2014<br/>£</b> | <b>31 March<br/>2013<br/>£</b> | <b>31 March<br/>2013<br/>£</b> |
|----------------------------------------------------------------|-------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| <b>Fixed assets</b>                                            |             |                               |                               |                                |                                |
| Investment property                                            | 5           |                               | 3,445,000                     |                                | 4,165,000                      |
| Tangible assets                                                | 6           |                               | -                             |                                | 5,536                          |
|                                                                |             |                               | <u>3,445,000</u>              |                                | <u>4,170,536</u>               |
| <b>Current assets</b>                                          |             |                               |                               |                                |                                |
| Debtors                                                        | 7           | 206,406                       |                               | 198,749                        |                                |
| Cash at bank and in hand                                       |             | 68,536                        |                               | 41,715                         |                                |
|                                                                |             | <u>274,942</u>                |                               | <u>240,464</u>                 |                                |
| <b>Creditors: amounts falling due within one year</b>          | 8           | <u>(250,263)</u>              |                               | <u>(604,861)</u>               |                                |
| <b>Net current assets/(liabilities)</b>                        |             |                               | <u>24,679</u>                 |                                | <u>(364,397)</u>               |
| <b>Total assets less current liabilities</b>                   |             |                               | <u>3,469,679</u>              |                                | <u>3,806,139</u>               |
| <b>Creditors: amounts falling due after more than one year</b> | 9           |                               | <u>(1,457,254)</u>            |                                | <u>(1,887,050)</u>             |
| <b>Net assets</b>                                              |             |                               | <u>2,012,425</u>              |                                | <u>1,919,089</u>               |
| <b>Capital and reserves</b>                                    |             |                               |                               |                                |                                |
| Called up share capital                                        | 10          |                               | 1,200                         |                                | 1,200                          |
| Revaluation reserve                                            | 11          |                               | 991,272                       |                                | 1,270,740                      |
| Profit and loss account                                        | 11          |                               | 1,019,953                     |                                | 647,149                        |
| <b>Equity shareholders' funds</b>                              | 12          |                               | <u>2,012,425</u>              |                                | <u>1,919,089</u>               |

The notes on pages 7 to 12 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 27 April 2015 and were signed on its behalf by:



**Christopher Stewart**  
*Director*

Company registered number: SC226313

**Statement of Total Recognised Gains and Losses**  
*for the 15 month period ended 30 June 2014*

|                                                                           | 15 months to<br>30 June<br>2014<br>£ | Year to<br>31 March<br>2013<br>£ |
|---------------------------------------------------------------------------|--------------------------------------|----------------------------------|
| <b>Profit for the financial period/year</b>                               | <b>149,804</b>                       | <b>37,928</b>                    |
| Unrealised deficit on revaluation of properties                           | (56,468)                             | (12,888)                         |
| <b>Total recognised gains and losses relating to the financial period</b> | <b>93,336</b>                        | <b>25,040</b>                    |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts are prepared on a going concern basis as set out in the directors' report.

In previous years, the company was entitled to exemption from audit under Section 477 of the Companies Act 2006. No audited financial statements exist for those previous financial years. As a result, the source of the comparative financial information for the year ended 31 March 2013 included in these financial statements is its unaudited financial statements for that year.

#### *Investment properties*

Investment properties are included in the balance sheet at their own market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different to those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax asset and liabilities are not discounted.

#### *Turnover*

Turnover represents amounts receivable for rent and service charges net of VAT.

### 2 Operating profit

|                                            | 15 months to<br>30 June<br>2014<br>£ | Year to<br>31 March<br>2013<br>£ |
|--------------------------------------------|--------------------------------------|----------------------------------|
| Operating profit is stated after charging: |                                      |                                  |
| Depreciation of tangible assets            | 4,428                                | 4,428                            |
| Auditor's remuneration                     | 2,000                                | -                                |
|                                            | <hr/>                                | <hr/>                            |

No director received any remuneration for services as director of the company during the period.

The company has no other employees.

## Notes (continued)

### 3 Interest payable

|                              | 15 months to<br>30 June<br>2014<br>£ | Year to<br>31 March<br>2013<br>£ |
|------------------------------|--------------------------------------|----------------------------------|
| On bank loans and overdrafts | 124,779                              | 171,181                          |
|                              | <u>124,779</u>                       | <u>171,181</u>                   |

### 4 Taxation

#### Analysis of charge in period

|                                      | 15 months to<br>30 June 2014<br>£ | Year to<br>31 March 2013<br>£ |
|--------------------------------------|-----------------------------------|-------------------------------|
| <i>UK corporation tax</i>            |                                   |                               |
| Current tax on income for the period | 8,253                             | -                             |
|                                      | <u>8,253</u>                      | <u>-</u>                      |
| Tax on profit on ordinary activities | 8,253                             | -                             |
|                                      | <u>8,253</u>                      | <u>-</u>                      |

#### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK (20.2%, 2013: 24%). The differences are explained below.

|                                              | 15 months to<br>30 June<br>2014<br>£ | Year to<br>31 March<br>2013<br>£ |
|----------------------------------------------|--------------------------------------|----------------------------------|
| <i>Current tax reconciliation</i>            |                                      |                                  |
| Profit on ordinary activities before tax     | 158,057                              | 37,928                           |
|                                              | <u>158,057</u>                       | <u>37,928</u>                    |
| Current tax at 20.2% (2013: 24%)             | 31,927                               | 9,103                            |
|                                              | <u>31,927</u>                        | <u>9,103</u>                     |
| <i>Effects of:</i>                           |                                      |                                  |
| Expenses not deductible for tax purposes     | 57                                   | 1,064                            |
| Chargeable gains                             | 12,857                               | -                                |
| Group relief claimed for nil consideration   | (22,508)                             | -                                |
| Tax credits                                  | 117                                  | -                                |
| Marginal relief                              | (84)                                 | -                                |
| Capital allowances in excess of depreciation | (13,207)                             | (9,386)                          |
| Utilisation of tax losses                    | (906)                                | (781)                            |
|                                              | <u>(906)</u>                         | <u>(781)</u>                     |
| Total current tax charge (see above)         | 8,253                                | -                                |
|                                              | <u>8,253</u>                         | <u>-</u>                         |

#### Factors that may affect future current and total tax charges

The company has an unrecognised deferred tax asset as at 30 June 2014 of £30,893 (31 March 2013: £45,121).

## Notes (continued)

### 5 Investment property

|                                | Investment<br>properties<br>£ |
|--------------------------------|-------------------------------|
| <b>Cost</b>                    |                               |
| At beginning of period         | 4,165,000                     |
| Additions                      | 6,468                         |
| Disposals                      | (670,000)                     |
| Revaluations                   | (56,468)                      |
|                                | <hr/>                         |
| At end of period               | 3,445,000                     |
|                                | <hr/>                         |
| <b>Depreciation</b>            |                               |
| At beginning and end of period | -                             |
|                                | <hr/>                         |
| <b>Net book value</b>          |                               |
| At 30 June 2014                | 3,445,000                     |
|                                | <hr/>                         |
| At 31 March 2013               | 4,165,000                     |
|                                | <hr/>                         |

On an historical cost basis these would have been included at an original cost of £2,453,728 (2013: £2,894,260). If the assets were sold at the value shown, there would be estimated tax of £67,765 due.

### 6 Tangible fixed assets

|                        | Plant and<br>machinery<br>£ |
|------------------------|-----------------------------|
| <b>Cost</b>            |                             |
| At beginning of period | 44,046                      |
| Disposals              | (44,046)                    |
|                        | <hr/>                       |
| At end of period       | -                           |
|                        | <hr/>                       |
| <b>Depreciation</b>    |                             |
| At beginning of period | 38,510                      |
| Charge for period      | 4,428                       |
| Disposals              | (42,938)                    |
|                        | <hr/>                       |
| At end of period       | -                           |
|                        | <hr/>                       |
| <b>Net book value</b>  |                             |
| At 30 June 2014        | -                           |
|                        | <hr/>                       |
| At 31 March 2013       | 5,536                       |
|                        | <hr/>                       |

Included in the total net book value of tangible fixed assets is £Nil (2013: £5,536) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £4,428 (2013: £4,428).

## Notes (continued)

### 7 Debtors

|                                    | 30 June<br>2014<br>£ | 31 March<br>2013<br>£ |
|------------------------------------|----------------------|-----------------------|
| Trade debtors                      | 2,810                | 734                   |
| Other debtors                      | 21,878               | 50,224                |
| Amounts owed by group undertakings | 180,964              | -                     |
| Amounts owed by related parties    | 754                  | 147,791               |
|                                    | <u>206,406</u>       | <u>198,749</u>        |

Debtors include an amount of £Nil (2013: £80,000) which is due after more than one year.

### 8 Creditors: amounts falling due within one year

|                                                              | 30 June<br>2014<br>£ | 31 March<br>2013<br>£ |
|--------------------------------------------------------------|----------------------|-----------------------|
| Bank loans and overdrafts                                    | 47,719               | 106,677               |
| Obligations under finance leases and hire purchase contracts | -                    | 2,496                 |
| Trade creditors                                              | 45,390               | 26,961                |
| Taxation and social security                                 | 15,404               | 10,420                |
| Other creditors and accruals                                 | 2,500                | 442,885               |
| Amounts owed to group undertakings                           | 131,250              | -                     |
| Amounts owed to related parties                              | 8,000                | 15,422                |
|                                                              | <u>250,263</u>       | <u>604,861</u>        |

Details of secured creditors are set out in note 9.

### 9 Creditors: amounts falling due after more than one year

|            | 30 June<br>2014<br>£ | 31 March<br>2013<br>£ |
|------------|----------------------|-----------------------|
| Bank loans | 1,457,254            | 1,887,050             |
|            | <u>1,457,254</u>     | <u>1,887,050</u>      |

Bank loans totalling £1,504,973 (2013: £1,993,727) are secured by standard securities and a bond and floating charge over the assets of the company.

The banking facilities bear interest at a rate of LIBOR + 3.75%. The margin is based on a Loan to Value (LTV) ratio of 35%, being the aggregate principal amount of loans outstanding as a percentage of the secured properties. If this is between 30 – 35%, the margin would drop to 3.5% and if it drops to under 30%, the margin falls to 3.25%.

## Notes (continued)

### 9 Creditors: amounts falling due after more than one year (continued)

The maturity of obligations under bank loans is as follows:

|                              | 2014<br>£        | 2013<br>£        |
|------------------------------|------------------|------------------|
| Within one year              | 47,719           | 106,677          |
| In the second to fifth years | 1,457,254        | 1,887,050        |
|                              | <u>1,504,973</u> | <u>1,993,727</u> |

### 10 Called up share capital

|                                                                               | 30 June<br>2014<br>£ | 31 March<br>2013<br>£ |
|-------------------------------------------------------------------------------|----------------------|-----------------------|
| <i>Allotted, called up and fully paid</i><br>1,200 Ordinary shares of £1 each | <u>1,200</u>         | <u>1,200</u>          |

### 11 Reserves

|                                                           | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ |
|-----------------------------------------------------------|-----------------------------|---------------------------------|
| At beginning of period                                    | 1,270,740                   | 647,149                         |
| Profit for the period                                     | -                           | 149,804                         |
| Realisation of revaluation on sale of investment property | (223,000)                   | 223,000                         |
| Revaluation during the year                               | (56,468)                    | -                               |
| At end of period                                          | <u>991,272</u>              | <u>1,019,953</u>                |

### 12 Reconciliation of movement in shareholders' funds

|                                                          | 30 June<br>2014<br>£ | 31 March<br>2013<br>£ |
|----------------------------------------------------------|----------------------|-----------------------|
| Profit for the period/year                               | 149,804              | 37,928                |
| Unrealised deficit on revaluation of investment property | (56,468)             | (12,888)              |
| Net increase in shareholders' funds                      | <u>93,336</u>        | <u>25,040</u>         |
| Opening shareholders' funds                              | 1,919,089            | 1,894,049             |
| Closing shareholders' funds                              | <u>2,012,425</u>     | <u>1,919,089</u>      |

## Notes (continued)

### 13 Contingent liabilities

As a condition to the availability of facilities under the Crisp Investments Limited, Urbanite Investments Limited and Lateral City Limited Facility Agreement, all related to this company by virtue of common ownership ('the related Group'), Barclays Bank Plc holds fixed and floating charges over all of the assets of the Company. Under the terms of this agreement the related Group must meet certain financial covenants in relation to the related Group's consolidated financial position. The Company's liability in respect of these guarantees at 30 June 2014 amounted to £10.5 million.

### 14 Related party disclosures

As at 30 June 2014, the immediate and ultimate parent company is CSG Investments Limited. The ultimate controlling party is Christopher Stewart.

During the period the company advanced £180,964 to Urbanite Investments Limited its fellow subsidiary. This balance was due from Urbanite Investments Limited at the period end.

During the period the company invoiced £8,400 (*31 March 2013: £14,991*) and advanced £nil (*31 March 2013: £50,000*) to Chris Stewart Associates LLP, an entity controlled by C Stewart. At the period end £710 was due to (*31 March 2013: £31,614 due from*) Chris Stewart Associates LLP.

At the period end £Nil (*31 March 2013: £116,177*) was due from Crisp Investment Partnership LLP, an entity controlled by C Stewart.

The company invoiced £8,371 (*31 March 2013: £7,238*) to and was invoiced £Nil (*31 March 2013: £9,000*) by Crisp Building and Renovation Limited, a company controlled by C Stewart. At the period end, the company was due £754 from (*31 March 2013: £8,472 due to*) Crisp Building and Renovation Limited.

At the period end, the company owed £Nil (*31 March 2013: £6,950*) to Chris Stewart Limited, a company controlled by C Stewart.

During the period, the company made repayments of £182,233 (*31 March 2013: £152,700*) to the director. Included in other creditors is an amount due to the director of £Nil (*31 March 2013: £182,233*). This loan is interest free, unsecured and repayable on demand.

During the period, £7,290 of charges were accrued by CSG Projects Limited on behalf of Crisp Investments Limited. At 30 June 2014, £7,290 was due to CSG Projects Limited.