

Registration number: SC444530

ColArt PFP (GP) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

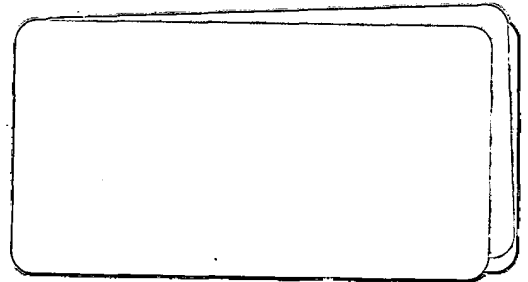


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Company Information

Directors	J P W Spight A Menzies J M Beeston
Registered office	17 Viewfield Road Ayr KA8 8HJ
Solicitors	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD
Bankers	DNB Bank ASA London Branch 8th Floor, The Walbrook Building 25 Walbrook London EC4N 8AF
Auditors	KPMG LLP Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL



Directors' Report for the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies. The directors have taken exemption under this regime not to disclose the strategic report.

Directors of the company

The directors, who held office during the year, were as follows:

J P W Spight

A Menzies

J M Beeston

Business review

Fair review of the business

The company is a general partner of the limited partnership ColArt Scotland LP, and receives an annual profit share from the partnership.

The company's profit after taxation for the year is £2,886,181 (2016: £2,363,653). The directors do not recommend payment of a final dividend.

The company has met the requirements within the Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report by virtue of being a small company.

Political donations

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to the auditors

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 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.

Auditors

The auditors, Deloitte LLP, have been appointed auditors for the forthcoming year by the board of directors of Colart PFP GP Limited on 12th April 2018.

Approved by the Board on 12 April 2018 and signed on its behalf by:



A Menzies
Director
17 Viewfield Road
Ayr
KA8 8HJ

Statement of Directors' Responsibilities in respect of the Annual 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 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 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.

Independent Auditor's Report to the Members of ColArt PFP (GP) Limited

Opinion

We have audited the financial statements of ColArt PFP (GP) Limited (the 'Company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies within note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Accounting standards, including FRS 101 *Reduced Disclosure Requirements*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of ColArt PFP (GP) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements (set out on page 3), the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Independent Auditor's Report to the Members of ColArt PFP (GP) Limited (continued)

Mike Woodward

Mike Woodward (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

Date: 16 APRIL 2018

Profit and Loss Account for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	3,633,839	2,964,807
Administrative expenses		<u>(9,042)</u>	<u>(10,241)</u>
Operating profit	4	<u>3,624,797</u>	<u>2,954,566</u>
Profit before tax		3,624,797	2,954,566
Tax on profit on ordinary activities	7	<u>(738,616)</u>	<u>(590,913)</u>
Profit for the year		<u><u>2,886,181</u></u>	<u><u>2,363,653</u></u>

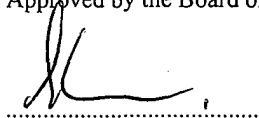
The above results were derived from continuing operations. A Statement of Other Comprehensive Income has not been included as part of these financial statements as the company made no gains or losses in the period other than those disclosed above in the profit and loss account.

Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	8	16,999,900	16,999,900
Current assets			
Debtors	9	8,286,079	7,615,007
Cash at bank and in hand	10	3,211,374	1,315,133
		11,497,453	8,930,140
Creditors: Amounts falling due within one year	11	(706,774)	(1,025,642)
Net current assets		10,790,679	7,904,498
Net assets		<u>27,790,579</u>	<u>24,904,398</u>
Capital and reserves			
Called up share capital	12	16,999,900	16,999,900
Profit and loss account		10,790,679	7,904,498
Shareholders' funds		<u>27,790,579</u>	<u>24,904,398</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 12 April 2018 and signed on its behalf by:



A Menzies
Director
17 Viewfield Road
Ayr
KA8 8HJ
Company registered number: SC444530

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Profit and loss account £	Total £
At 1 January 2016	16,999,900	5,540,845	22,540,745
Profit for the year	-	2,363,653	2,363,653
Total comprehensive income	-	2,363,653	2,363,653
At 31 December 2016	16,999,900	7,904,498	24,904,398
	Share capital £	Profit and loss account £	Total £
At 1 January 2017	16,999,900	7,904,498	24,904,398
Profit for the year	-	2,886,181	2,886,181
Total comprehensive income	-	2,886,181	2,886,181
At 31 December 2017	16,999,900	10,790,679	27,790,579

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effect of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate as the company has net assets and net current assets and can settle liabilities as they fall due. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

Changes in accounting policies

None of the standards, interpretations and amendments effective for the first time from 1 January 2017 have had a material effect on the financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Turnover

Turnover consists of profit share income from the ColArt Scotland LP limited partnership. Profit share income is attributed to the company in the period in which it is recognised in the partnership.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Investments

Investments are shown at cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Debtors

Debtors mainly comprises receivables from related parties and are recognised initially at fair value.

Creditors

Creditors mainly comprises payables with related parties, and are recognised initially at fair value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2017 £	2016 £
Profit share from Colart Scotland LP	<u>3,633,839</u>	<u>2,964,807</u>

4 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Audit of these financial statements	<u>9,000</u>	<u>10,200</u>

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

4 Operating profit (continued)

The fees for the audit of the 2017 financial statements for ColArt Scotland LP (2016: ColArt Scotland LP and ColArt PFP (LP) Ltd) are included in the amounts above.

5 Staff costs

There were no staff employed by the company during the year (2016: £nil). No emoluments were paid to the directors for duties undertaken on behalf of the company during the year (2016: £nil).

6 Directors' remuneration

The directors' time devoted to ColArt PFP (GP) Limited is considered to be immaterial and the directors are remunerated by ColArt International Holdings Limited (registered address: The Studio Building, 21 Evesham Street, London, W11 4AJ) with the exception of Andrew Menzies, who is remunerated by Moorbrook Textiles Limited (registered address: Alex Begg & Co., 17 Viewfield Road, Ayre, KA8 8HJ).

7 Income tax

Tax charged/(credited) in the profit and loss account

	2017 £	2016 £
Current taxation		
UK corporation tax	697,774	590,913
UK corporation tax adjustment to prior periods	40,842	-
	<u>738,616</u>	<u>590,913</u>
	2017 £	2016 £
Profit before tax	<u>3,624,797</u>	<u>2,954,566</u>
Corporation tax at standard rate: 19.25% (2016 - 20%)	697,774	590,913
Increase (decrease) in current tax from adjustment for prior periods	40,842	-
Total tax charge	<u>738,616</u>	<u>590,913</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

8 Investments

Joint ventures

	£
Cost or valuation	
At 1 January 2017	16,999,900
At 31 December 2017	16,999,900
Carrying amount	
At 31 December 2017	16,999,900

Details of the joint ventures as at 31 December 2017 are as follows:

Name of Joint-ventures	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2017	2016
ColArt Scotland LP	Management of brand assets	17 Viewfield Road, Ayr, KA8 8HJ, Scotland	37%	37%

The investment held in ColArt Scotland LP is a long term loan resulting from a group restructure. The profit for ColArt Scotland LP for the year and available for distribution at 31 December 2017 is £3,633,844 (2016: £2,9604,812).

9 Debtors

	2017 £	2016 £
Debtors from related parties	8,284,039	7,615,007
Other debtors	2,040	-
	<u>8,286,079</u>	<u>7,615,007</u>

10 Cash and cash equivalents

	2017 £	2016 £
Cash at bank	<u>3,211,374</u>	<u>1,315,133</u>

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

11 Creditors

	2017 £	2016 £
Accrued expenses	9,000	10,200
Amounts due to related parties	-	590,913
Income tax liability	697,774	424,529
	<u>706,774</u>	<u>1,025,642</u>

12 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>16,999,900</u>	<u>16,999,900</u>	<u>16,999,900</u>	<u>16,999,900</u>

13 Parent and ultimate parent undertaking

The company's immediate parent is ColArt International Holdings Ltd, incorporated in England and Wales, with its registered office at The Studio Building, 21 Evesham Street, W11 4AJ, London.

The most senior parent entity producing publicly available financial statements is Lindengruppen AB, incorporated in Sweden, with its registered office at Bruksgården, SE-268 83, Höganas, Sweden. These financial statements are available upon request from Bruksgården, SE-268 83, Höganas, Sweden.

The ultimate controlling party is Lindengruppen AB, incorporated in Sweden, with its registered office at Bruksgården, SE-268 83, Höganas, Sweden.