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Registered Number: 00430683 (England and Wales)

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**  
**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**WILKINS KENNEDY LLP**  
**Chartered Accountants**  
**Bridge House**  
**London Bridge**  
**London**  
**SE1 9QR**



**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31 MARCH 2017****FINANCIAL STATEMENTS**

The directors present their report and financial statements of the company for the year ended 31 March 2017.

**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 and loss of the company for that period. In preparing those 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;
- 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.

**PRINCIPAL ACTIVITY**

The principal activities of the company during the year were investment in subsidiary undertakings and other investments. The directors consider that there will be no change in the principal activities of the company during the coming year. The principal activities of the subsidiary undertakings are set out in note 6 to the financial statements.

**RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation was £1,863,504 (2016: £1,471,192).

Dividends were declared and paid as follows:-

<b>Date declared</b>	<b>Date paid</b>	<b>£</b>
2 December 2016	8 December 2016	<u>300,000</u>

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**FIXED ASSETS**

The movements in fixed assets are set out in notes 6 and 7 to the financial statements.

**POST BALANCE SHEET EVENTS AND FUTURE DEVELOPMENTS**

There have been no significant events affecting the company since the year end which should be brought to the attention of the shareholders.

It is the intention of the directors that the company will continue its present activities.

**GOING CONCERN**

The directors consider the company has adequate resources and sufficient funding to continue in operational existence for the foreseeable future and it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year and as at the date of this report were as follows:

C H Harrison  
A M Homan  
H M Saunders

Mr C H Harrison and Mr A M Homan are directors of a company which is the sole trustee of a settlement which is considered to be the company's ultimate parent undertaking. The directors had no other interest in the shares of the company during the year.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

No charitable or political donations were made in either the current or prior year.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

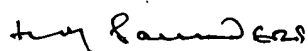
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

**AUDITORS**

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that Wilkins Kennedy LLP be re-appointed as auditors of the company will be put to the Annual General Meeting.

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

This report was approved by the Board on 12 June 2017 and signed on its behalf by:



**H M Saunders**  
Director

**INDEPENDENT AUDITORS' REPORT****TO THE SHAREHOLDERS OF****CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**

We have audited the financial statements of City Acre Property Investment Trust Limited for the year ended 31 March 2017 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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'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 Directors' Responsibilities Statement set out on page 1, 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts, and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs at 31 March 2017 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 Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the report of the directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatement in the Report of the Directors.

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 or 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.



**Robert Reynolds (Senior Statutory Auditor)**  
For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Bridge House  
London Bridge  
London SE1 9QR

Date: 12 June 2017

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2017**

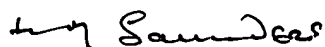
	<u>Notes</u>	<u>2017</u> £	<u>2016</u> £
<b>INCOME</b>	3	<b>287,825</b>	<b>300,064</b>
Administrative and other expenses		(243,598)	(228,650)
Management charges receivable		58,000	55,000
Other income		30,852	-
<b>OPERATING PROFIT</b>		<b>133,079</b>	<b>126,414</b>
Loss on sale of investments		(22,254)	(102,711)
Release of provision against investments in subsidiary		58,596	628,726
Release of provision against loans due from subsidiary undertakings		331	1,132,402
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	4	<b>169,752</b>	<b>1,784,831</b>
Unrealised profit/(loss) on financial assets stated at fair value		1,667,060	(332,618)
Interest receivable		9,877	2,952
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,846,689</b>	<b>1,455,165</b>
Taxation		16,815	16,027
<b>PROFIT FOR THE YEAR</b>		<b>£1,863,504</b>	<b>£1,471,192</b>

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****BALANCE SHEET****AS AT 31 MARCH 2017**

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		£	£
<b>FIXED ASSETS</b>			
Investment in subsidiary undertakings	6	19,204,872	19,146,276
Investments	7	12,527,210	10,882,403
		<u>31,732,082</u>	<u>30,028,679</u>
<b>CURRENT ASSETS</b>			
Debtors	8	5,626,354	7,315,865
Cash at bank		813,145	-
		<u>6,439,499</u>	<u>7,315,865</u>
<b>CREDITORS:</b> Amounts falling due within one year	9	<u>(18,560,794)</u>	<u>(19,297,261)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(12,121,295)</u>	<u>(11,981,396)</u>
<b>NET ASSETS</b>		<u><b>£19,610,787</b></u>	<u><b>£18,047,783</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2,000,000	2,000,000
Capital redemption reserve	12	6,000,000	6,000,000
Revaluation reserve		3,209,926	1,928,510
Profit and loss account		8,400,861	8,118,773
<b>SHAREHOLDERS' FUNDS</b>		<u><b>£19,610,787</b></u>	<u><b>£18,047,283</b></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 4 to 11 were approved by the Board on 12 June 2017 and signed on its behalf by:



**H M Saunders**  
Director

Company registration number: 00430683

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Called up share capital £</b>	<b>Capital redemption reserve £</b>	<b>Retained Earnings £</b>	<b>Revaluation Reserve £</b>	<b>Total Equity £</b>
<b>Balance at 1 April 2015</b>	2,000,000	6,000,000	6,149,775	3,141,316	17,291,091
<b>Changes in equity</b>					
Profit and loss	-	-	1,471,192	-	1,471,192
Release of realised gain	-	-	880,188	(880,188)	-
Transfer unrealised loss to reserve	-	-	332,618	(332,618)	-
Dividend	-	-	(715,000)	-	(715,000)
<b>Balance at 31 March 2016</b>	2,000,000	6,000,000	8,118,773	1,928,510	18,047,283
<b>Changes in equity</b>					
Profit and loss	-	-	1,863,504	-	1,863,504
Release of realised gain	-	-	385,644	(385,644)	-
Transfer unrealised gain to reserve	-	-	(1,667,060)	1,667,060	-
Dividend	-	-	(300,000)	-	(300,000)
<b>Balance at 31 March 2017</b>	<u>2,000,000</u>	<u>6,000,000</u>	<u>8,400,861</u>	<u>3,209,926</u>	<u>19,610,787</u>

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**1. STATUTORY INFORMATION**

City Acre Property Investment Trust Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 00430683 and registered office address is 5 Yeomans Court, Ware Road, Hertford, Hertfordshire, SG13 7HJ.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**(a) *Accounting convention***

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**(b) *Going concern***

The financial statements are based on the going concern basis. The subsidiary undertaking has confirmed that it will not demand repayment of its loan to the company (see note 10) such to render the company unable to meet its liabilities as they fall due. Accordingly, the directors consider that the going concern basis is an appropriate basis for the company's financial statements.

**(c) *Turnover***

Turnover represents gross rental income and investment income.

**(d) *Taxation***

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against future taxable profits or against the reversal of deferred tax liabilities.

Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**(e) *Investment in subsidiary undertakings***

These are stated at cost less provision for permanent diminution in value.

**(f) *Investments***

These are listed investments included at market value.

**(g) *Group accounts***

The company has not prepared group accounts as it is exempt from the requirement to do so under Section 398 of the Companies Act 2006 because it is a subsidiary undertaking of Rugarth Investment Trust Limited, a company registered in England and Wales. These financial statements are included in the group accounts of that company. City Acre Property Investment Trust Limited's accounts therefore present information about it as an individual company and not about its group.



**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2017****2. ACCOUNTING POLICIES (continued)****(h) Trade and other debtors**

Trade and other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

**(i) Trade and other creditors**

Trade and other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**3. INCOME**

Income arises wholly in the United Kingdom from investment income.

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST****2017****2016****£****£**

The profit on ordinary activities is stated after charging/  
(crediting):-

Auditors' remuneration

12,390

13,560

The company has borne the audit fees of all group companies in the years ended 31 March 2017 and 2016. The auditors' remuneration relating to the audit of this company is £7,800 (2016: £7,600).

**5. AVERAGE NUMBER OF EMPLOYEES**

Average number of employees including directors

3

3

**6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS****£****COST**

1 April 2016 and 31 March 2017

33,116,620

**PROVISIONS**

1 April 2016

13,970,344

Release in year

(58,596)

31 March 2017

13,911,748

**NET BOOK VALUE**

31 March 2017

**£19,204,872**

31 March 2016

**£19,146,276**

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2017****6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS - continued**

The company's subsidiary undertakings, all wholly owned, and their principal activities at the year end are set out below:

<b>Name</b>	<b>Principal activity</b>
Acre Properties Limited	Dormant
British and Overseas Property Developments Limited	Farming and property investment and development
Corb 81 Limited	Investment
Number 1 Poultry Limited	Dormant
The National Safe Deposit and Trustee Company (UK) Limited	Asset Management
29/30 Old Burlington Street Limited	Dormant

All the above subsidiary undertakings are registered in England and Wales, and they all operate in the United Kingdom. In addition British and Overseas Property Developments Limited also operates in the United States of America.

In the opinion of the directors the aggregate value of the assets of the company consisting of shares in the company's subsidiary undertakings is not less than the aggregate of the amounts at which those assets are included in the balance sheet.

**7. INVESTMENTS**

	<b><u>2017</u></b>
	<b>£</b>
<b>COST</b>	
1 April 2016	8,996,743
Additions	1,377,817
Disposals	(1,014,426)
	<hr/>
31 March 2017	9,360,134
	<hr/>
<b>VALUATION SURPLUS</b>	
1 April 2016	1,928,510
Valuation surplus arising in year	1,667,060
Realised on sale of investments	(385,644)
	<hr/>
31 March 2017	3,209,926
	<hr/>
<b>PROVISION FOR DIMINUTION IN VALUE</b>	
1 April 2016	(42,850)
Provided during year	-
	<hr/>
31 March 2017	(42,850)
	<hr/>
<b>NET BOOK VALUE</b>	
31 March 2017	<b><u>£12,527,210</u></b>
	<hr/>
31 March 2016	<b><u>£10,882,403</u></b>
	<hr/>

Investments represent listed investments at market value.

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2017**

<b>8. DEBTORS</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>£</b>	<b>£</b>
Amount owed by parent undertaking	2,301,469	-
Amounts owed by subsidiary undertakings	3,163,021	7,030,698
Other debtors	156,089	278,753
Prepayments and accrued income	5,775	6,414
	<b><u>£5,626,354</u></b>	<b><u>£7,315,865</u></b>

Other debtors of £35,000 (2016: £35,000) are considered to be recoverable after more than one year.

<b>9. CREDITORS: Amounts falling due within one year</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>£</b>	<b>£</b>
Bank overdrafts	-	38,325
Amounts owed to parent undertaking	-	698,531
Amounts owed to fellow subsidiary undertakings	18,520,087	18,517,548
Accruals and deferred income	40,707	42,857
	<b><u>£18,560,794</u></b>	<b><u>£19,297,261</u></b>

**10. PROVISIONS FOR LIABILITIES AND CHARGES****Deferred tax**

The company expects there to be revenue tax losses to carry forward of approximately £25m (2016: £25m) and capital losses to carry forward of approximately £1.4m (2016: £1.4m). A deferred tax asset has not been provided in respect of these revenue losses due to the uncertainty of the losses being utilised in the foreseeable future.

The company has investment assets with a carrying value of £3.2m above cost (see note 7). Due to capital losses available within the group and also the availability of indexation allowances on the investment assets in the event of a sale, the directors do not consider there to be any tax liability arising on the investments as value at 31 March 2017, accordingly a deferred tax liability has not been provided in respect of this revaluation gain.

<b>11. SHARE CAPITAL</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>£</b>	<b>£</b>
<b>Allotted and fully paid</b>		
2,000,000 Ordinary shares of £1 each	<b><u>£2,000,000</u></b>	<b><u>£2,000,000</u></b>

**12. CAPITAL REDEMPTION RESERVE**

Following the redemption of 1,500,000 zero per cent Non Cumulative Redeemable Preference Shares of £1 each on 10 April 2002, £1.5 million was transferred from profit and loss account to this reserve. Following the further redemption of 4,500,000 zero per cent Non Cumulative Redeemable Preference Shares of £1 each on 10 October 2003, a further £4.5 million was transferred from profit and loss account to this reserve.

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2017****13. CAPITAL COMMITMENTS**

There were no capital commitments authorised or contracted for at 31 March 2017 or 31 March 2016.

**14. ULTIMATE PARENT UNDERTAKING**

The Rudolph Palumbo 1955 Settlement ("The Trust") is considered to be the ultimate parent undertaking of the company.

Rugarth Investment Trust Limited, owned by The Trust, was the parent undertaking of the largest and smallest group of which City Acre Property Investment Trust Limited was a member and for which group accounts were drawn up for the year ended 31 March 2017. Copies of the group accounts will be available from the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff CF4 3UZ.

The immediate parent undertaking at the year end was Rugarth Investments Limited, a company registered in England and Wales.

**15. RELATED PARTY TRANSACTIONS**

The company did not enter into any transactions with related parties that were not concluded under normal market conditions in either the current or the prior year.

**16. FIRST YEAR ADOPTION**

This is the first year that the company has presented its results under FRS 102 Section 1A. The last financial statements under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 was 1 April 2015. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2016 between UK GAAP as previously reported and under FRS 102 in these financial statements, these changes had no impact on the total equity.

Reconciliation of profit and loss for the year ended 31 March 2016

	<b><u>31 March</u></b>
	<b><u>2016</u></b>
	<b>£</b>
Under UK GAAP – As previously reported	1,803,810
Loss on revaluation of investments	(332,618)
	<hr/>
Under FRS 102	1,471,192
	<hr/>

A restatement of the comparative year profit and loss was required in relation to the revaluation of its investments, which is now recognised in the statement of comprehensive income in accordance with FRS 102 and transferred to the revaluation reserve, as shown on the statement of changes in equity, in order to show these gains or losses are non-distributable.