

Registered Number: 00430683 (England and Wales)

**DIRECTORS REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
**FOR**  
**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**



**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**FINANCIAL STATEMENTS**

The directors present their report and financial statements of the company for the year ended 31 March 2018.

**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 £538,641 (2017: £1,863,504).

Dividends were declared and paid as follows:-

Date declared	Paid	'Ordinary' Shares £	'P' Shares £	Total £
13 April 2017	18 April 2017	135,000	90,000	225,000
9 October 2017	11 October 2017	150,000	90,000	240,000
27 November 2017	30 November 2017	-	100,000	100,000
		<u>£285,000</u>	<u>£280,000</u>	<u>£565,000</u>

**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, although they are considering putting the company into a members voluntary liquidation.

**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.

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**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.

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

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

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

This report was approved by the Board on 24 May 2018 and signed on its behalf by:



**H M Saunders**  
Director

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2018**

	<b><u>Notes</u></b>	<b><u>2018</u></b> <b>£</b>	<b><u>2017</u></b> <b>£</b>
<b>INCOME</b>	<b>3</b>	<b>298,660</b>	<b>287,825</b>
Administrative and other expenses		(238,193)	(243,598)
Management charges receivable		-	58,000
Other income		561	30,852
<b>OPERATING PROFIT</b>		<b>61,028</b>	<b>133,079</b>
Gain/(loss) on sale of investments		504,833	(22,254)
Release of provision against investments in subsidiary		2,489	58,596
Release of provision against loans due from subsidiary undertakings		1,753	331
Loss on exchange		(82,141)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	<b>4</b>	<b>487,962</b>	<b>169,752</b>
Unrealised profit on financial assets stated at fair value		-	1,667,060
Interest receivable		10,307	9,877
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>498,269</b>	<b>1,846,689</b>
Taxation		40,372	16,815
<b>PROFIT FOR THE YEAR</b>		<b><u>£538,641</u></b>	<b><u>£1,863,504</u></b>

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****BALANCE SHEET****AS AT 31 MARCH 2018**

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
		£	£
<b>FIXED ASSETS</b>			
Investment in subsidiary undertakings	6	19,207,361	19,204,872
Investments	7	-	12,527,210
		<u>19,207,361</u>	<u>31,732,082</u>
<b>CURRENT ASSETS</b>			
Debtors	8	6,170,607	5,626,354
Cash at bank		<u>13,446,337</u>	<u>813,145</u>
		19,616,944	6,439,499
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(19,239,877)</u>	<u>(18,560,794)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>377,067</u>	<u>(12,121,295)</u>
<b>NET ASSETS</b>		<u><b>£19,584,428</b></u>	<u><b>£19,610,787</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2,000,000	2,000,000
Capital redemption reserve	12	6,000,000	6,000,000
Revaluation reserve		-	3,209,926
Profit and loss account		<u>11,584,428</u>	<u>8,400,861</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><b>£19,584,428</b></u>	<u><b>£19,610,787</b></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 3 to 10 were approved by the Board on 24 May 2018 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 2018**

	Called up share capital £	Capital redemption reserve £	Retained Earnings £	Revaluation Reserve £	Total Equity £
<b>Balance at 1 April 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	-
Dividends	-	-	(300,000)	-	(300,000)
<b>Balance at 31 March 2017</b>	2,000,000	6,000,000	8,400,861	3,209,926	19,610,787
<b>Changes in equity</b>					
Profit and loss	-	-	603,051	-	603,051
Release of realised gain	-	-	3,209,926	(3,209,926)	-
Dividends	-	-	(565,000)	-	(565,000)
<b>Balance at 31 March 2018</b>	<b><u>£2,000,000</u></b>	<b><u>£6,000,000</u></b>	<b><u>£11,648,838</u></b>	<b><u>£ -</u></b>	<b><u>£19,648,838</u></b>

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**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 9) 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 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) *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 2018****2. ACCOUNTING POLICIES (continued)****(g) 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.

**(h) 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****2018****2017****£****£**

The profit on ordinary activities is stated after charging:

Auditors' remuneration

-

12,390

**5. AVERAGE NUMBER OF EMPLOYEES**

Average number of employees including directors

3

3

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

1 April 2017 and 31 March 2018

33,116,620

**PROVISIONS**

1 April 2017

13,911,748

Release in year

(2,489)

31 March 2018

13,909,259

**NET BOOK VALUE**

31 March 2018

**£19,207,361**

31 March 2017

**£19,204,872**



**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****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	Dormant
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 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>2018</u></b>
	<b>£</b>
<b>COST</b>	
1 April 2017	9,360,134
Additions	514,379
Disposals	(9,824,000)
Reallocation	(50,513)
	<hr/>
31 March 2018	-
	<hr/>
<b>VALUATION SURPLUS</b>	
1 April 2017	3,209,926
Realised on sale of investments	(3,209,926)
	<hr/>
31 March 2018	-
	<hr/>
<b>PROVISION FOR DIMINUTION IN VALUE</b>	
1 April 2017	(42,850)
Reallocation during year	42,850
	<hr/>
31 March 2018	-
	<hr/>
<b>NET BOOK VALUE</b>	
31 March 2018	<b>£-</b>
	<hr/>
31 March 2017	<u>£12,527,210</u>

All investments were sold during the year, apart from an investment of net book value of £7,663, which is included in other debtors as held for sale.

**CITY ACRE PROPERTY INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018**

<b>8. DEBTORS</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
	<b>£</b>	<b>£</b>
Amount owed by parent undertaking	2,301,469	2,301,469
Amounts owed by subsidiary undertakings	2,706,328	3,163,021
Other debtors	75,504	156,089
Taxation	1,081,731	-
Prepayments and accrued income	5,575	5,775
	<b><u>£6,170,607</u></b>	<b><u>£5,626,354</u></b>

Other debtors of £35,000 (2017: £35,000) are considered to be recoverable after more than one year.

<b>9. CREDITORS: Amounts falling due within one year</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
	<b>£</b>	<b>£</b>
Amounts owed to fellow subsidiary undertakings	19,207,782	18,520,087
Accruals and deferred income	32,095	40,707
	<b><u>£19,239,877</u></b>	<b><u>£18,560,794</u></b>

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

The company expects there to be revenue tax losses to carry forward of approximately £29m (2017: £25m) and capital losses to carry forward of approximately £nil (2017: £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.

<b>11. SHARE CAPITAL</b>	<b><u>2018</u></b>	<b><u>2017</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 2018**

**13. CAPITAL COMMITMENTS**

There were no capital commitments authorised or contracted for at 31 March 2018 or 31 March 2017.

**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 2018. 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.