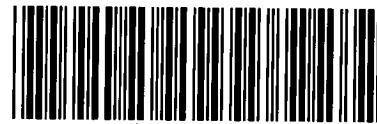


COMPANY REGISTRATION NUMBER: 00602307

MONTESSAN CO. LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2016

TUESDAY



A6FS007T

A17

26/09/2017

#164

COMPANIES HOUSE

COHEN ARNOLD
Chartered Accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

MONTESAN CO. LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

CONTENTS	PAGE
Directors' report	1
Independent auditor's report to the members	3
Profit and loss account and other comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account and other comprehensive income	16
Notes to the detailed profit and loss account and other comprehensive income	17

MONTESSAN CO. LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is share investment. There has been no significant change in the nature of the company's business activities during the year under review, nor is any envisaged in the immediate future.

DIRECTORS

The directors who served the company during the year were as follows:

Mr B S E Freshwater
Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract with the company.

The majority of the day-to-day management of the company's operations are carried out by Highdorn Co. Limited. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, Highdorn Co. Limited.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2015: £nil). The directors do not propose a final dividend for the year (2015: £nil).

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 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 accounting 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.

MONTESSAN CO. LIMITED
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2016

DONATIONS

During the year the company made no charitable donation nor political contribution.

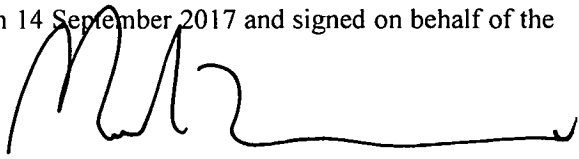
AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 14 September 2017 and signed on behalf of the board by:


M R M Jenner, F.C.I.S.
Company Secretary

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

MONTESSAN CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONTESSAN CO.
LIMITED
YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Montessan Co. Limited for the year ended 31 December 2016 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the directors' responsibilities statement, 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

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 directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently 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 as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

MONTESSAN CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONTESSAN CO.
LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



Joshua Neumann (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered Accountants & statutory auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

14 September 2017

MONTESAN CO. LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
TURNOVER	4	134,843	129,078
GROSS PROFIT		<u>134,843</u>	<u>129,078</u>
Administrative expenses		(1,790)	(1,810)
Net valuation (deficit)/gains on listed investments		<u>(196,572)</u>	<u>1,061,706</u>
OPERATING (LOSS)/PROFIT	5	<u>(63,519)</u>	1,188,974
(LOSS)/PROFIT BEFORE TAXATION		<u>(63,519)</u>	1,188,974
Tax on (loss)/profit	7	<u>117,500</u>	<u>(49,500)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>53,981</u></u>	<u><u>1,139,474</u></u>

All the activities of the company are from continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

MONTESSAN CO. LIMITED

BALANCE SHEET

31 DECEMBER 2016

	Note	2016		2015	
		£	£	£	£
FIXED ASSETS					
Investments	8		8,652,650		8,849,222
CURRENT ASSETS					
Debtors	9	655,897		532,935	
Cash at bank and in hand		<u>68,935</u>		<u>58,331</u>	
		724,832		591,266	
CREDITORS: amounts falling due within one year	10	<u>(1,526)</u>		<u>(1,513)</u>	
NET CURRENT ASSETS			<u>723,306</u>		<u>589,753</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,375,956		9,438,975
PROVISION FOR LIABILITIES & CHARGES	11		<u>(1,328,000)</u>		<u>(1,445,000)</u>
NET ASSETS			<u>8,047,956</u>		<u>7,993,975</u>
CAPITAL AND RESERVES					
Called up share capital	13		500		500
Profit and loss account	14		<u>8,047,456</u>		<u>7,993,475</u>
TOTAL EQUITY			<u>8,047,956</u>		<u>7,993,975</u>

These financial statements were approved by the board of directors and authorised for issue on 14 September 2017, and are signed on behalf of the board by:

B S E Freshwater

Director

Company registration number: 00602307

The notes on pages 8 to 14 form part of these financial statements.

MONTESAN CO. LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2015	500	6,854,001	6,854,501
Profit for the year	—	1,139,474	1,139,474
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	1,139,474	1,139,474
AT 31 DECEMBER 2015	500	7,993,475	7,993,975
Profit for the year	—	53,981	53,981
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	53,981	53,981
AT 31 DECEMBER 2016	500	8,047,456	8,047,956

The balance on the profit and loss account at 31 December 2016 includes £7,252,030 of unrealised profits which are not available for distribution.

MONTESSAN CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Montessan Co. Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention except that listed investments are measured at fair value.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the company and available sources of finance.

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

There are no judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements nor any estimates with a significant risk of material adjustment in the next year.

Disclosure exemptions

The Company's intermediate parent undertaking, Centremanor Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Centremanor Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

Turnover

Turnover represents income from listed investments.

MONTESAN CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For listed investments that are measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of listed investments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments

Listed investments are initially recorded at cost, and subsequently stated at fair value with changes in fair value being recognised in the profit and loss account.

MONTESSAN CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Income and expenses

Interest receivable and Interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Interest receivable and similar income include interest receivable on intercompany loans and late payment charges.

Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in the Centremanor Limited group.

4. TURNOVER

Turnover arises from:

	2016	2015
	£	£
Income from listed investments	<u>134,843</u>	<u>129,078</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

MONTESAN CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>1,500</u>	<u>1,500</u>

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's intermediate parent undertaking, Centremanor Limited.

6. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to the directors during the year (2015: £Nil).

The staff provided by the administrative management company, Highdorn Co. Limited, are engaged under joint employment contracts with a fellow subsidiary undertaking of the company and their costs subsequently recharged to the company at a level appropriate to the activity of the company. No recharges were made during the year (2015: Nil).

7. TAX ON (LOSS)/PROFIT

Major components of tax (income)/expense

	2016	2015
	£	£
Current tax:		
Consideration receivable for group relief	(500)	(500)
Deferred tax:		
Origination and reversal of timing differences	(36,722)	189,500
Impact of change in tax rate	<u>(80,278)</u>	<u>(139,500)</u>
Total deferred tax	<u>(117,000)</u>	<u>50,000</u>
Tax on (loss)/profit	<u>(117,500)</u>	<u>49,500</u>

All tax is recognised in the profit and loss account.

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016	2015
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(63,519)</u>	<u>1,188,974</u>
(Loss)/profit on ordinary activities by rate of tax	(12,704)	240,767
Non-taxable income	(26,969)	(26,138)
Timing differences on unrealised gains	2,592	(25,495)
Impact of change in tax rate	(80,278)	(139,500)
Other differences	<u>(141)</u>	<u>(134)</u>
Tax on (loss)/profit	<u>(117,500)</u>	<u>49,500</u>

MONTESAN CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

7. TAX ON (LOSS)/PROFIT *(continued)*

Factors that may affect future tax income

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 18 November 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future tax charge accordingly.

The deferred tax liability at 31 December 2016 has been calculated based on the rate of 17% (2015: 18%).

8. INVESTMENTS

	Listed investments £
Fair value	
At 1 January 2016	8,849,222
Revaluations	<u>(196,572)</u>
At 31 December 2016	<u>8,652,650</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>—</u>
Carrying amount	
At 31 December 2016	<u>8,652,650</u>
At 31 December 2015	<u>8,849,222</u>

The fair value of the listed investments at the balance sheet date is determined using quoted prices.

Historical cost model

The historical cost of listed investments at 31 December 2016 is £72,620 (2015: £72,620).

9. DEBTORS

	2016 £	2015 £
Amounts owed by group undertakings	654,897	287,298
Other debtors	<u>1,000</u>	<u>245,637</u>
	<u>655,897</u>	<u>532,935</u>

All debtors are payable within one year or are payable on demand. Intra-group loans are interest-free sterling loans repayable on demand.

Included in Other debtors is £nil (2015: £244,637) owed by Highdorn Co. Limited, a company in which Mr B S E Freshwater is a director, and in which he has a non-beneficial interest in the share capital thereof. The amount was an interest-free sterling loan repayable on demand.

MONTESAN CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

10. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Other creditors	<u>1,526</u>	<u>1,513</u>

11. PROVISION FOR LIABILITIES & CHARGES

	Deferred tax (note 12) £
At 1 January 2016	1,445,000
Credit in the year	<u>(117,000)</u>
At 31 December 2016	<u>1,328,000</u>

Provision for Liabilities & Charges

12. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2016	2015
	£	£
Included in provision for liabilities & charges (note 11)	<u>1,328,000</u>	<u>1,445,000</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Revaluation of listed investments	<u>1,328,000</u>	<u>1,445,000</u>

13. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	500	500	500	500

14. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

MONTESSAN CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

15. DIRECTORS' INTERESTS IN CONTRACTS

The majority of the day to day management of the company's operations is carried out by Highdorn Co. Limited, a company in which Mr B S E Freshwater is a director and has a non-beneficial interest in the share capital.

During the year £240 (2015: £240), including VAT, was payable to Highdorn Co. Limited for the full range of management and administrative services which were charged for at normal commercial rates. No amounts were owing to Highdorn Co. Limited for these services at 31 December 2016 (2015: £nil).

Dividends receivable from listed investments of £126,062 (2015: £119,284) relate to Daejan Holdings Plc, a company in which Mr B S E Freshwater and Mr D Davis are directors and are also interested in its share capital.

16. PARENT COMPANY AND CONTROLLING PARTY

The company is controlled by its immediate parent undertaking, Freshwater Family Enterprises Limited, a company registered in England and Wales.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address:

Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.