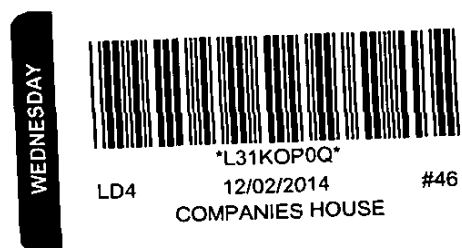


Standard Securities Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2013



Company Registration No 979400

Standard Securities Limited

COMPANY INFORMATION

DIRECTORS	DA Dangoor MAJ Dangoor EBV Dangoor NE Dangoor CBE
SECRETARY	EBV Dangoor
COMPANY NUMBER	979400 (England and Wales)
REGISTERED OFFICE	4 Carlos Place Mayfair London W1K 3AW
AUDITORS	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB

Standard Securities Limited

DIRECTORS' REPORT

For the year ended 31 May 2013

The directors present their report and financial statements for the year ended 31 May 2013

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of property investment

DIRECTORS

The following directors have held office since 1 June 2012

DA Dangoor
MAJ Dangoor
EBV Dangoor
NE Dangoor CBE

AUDITORS


The auditors, Baker Tilly UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office

STATEMENT OF DISCLOSURE TO AUDITORS

The directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


NE Dangoor CBE
DIRECTOR
05/02/14

Standard Securities Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 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 or loss of the company for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANDARD SECURITIES LIMITED

We have audited the financial statements set out on pages 4 to 15. 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).

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 auditors' 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 more fully explained 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 (APB'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 APB's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

OPINION ON THE 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 May 2013 and 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
- 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 in preparing the directors' report

Baker Tilly UK Audit LLP

EUAN BANKS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

11th February 2014

Standard Securities Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2013

	Notes	2013 £	2012 £
TURNOVER		2,943,117	2,884,143
Cost of sales		(121,041)	(148,040)
GROSS PROFIT		2,822,076	2,736,103
Other operating income	1	388,930	20,060
Administration expenses		(144,687)	(149,993)
OPERATING PROFIT		3,066,319	2,606,170
Investment income		593	1
Interest payable and similar charges	2	(277,198)	(285,067)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,789,714	2,321,104
Taxation	4	(45,589)	(572,724)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	2,744,125	1,748,380

The profit for the year arises from the company's continuing operations

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2013 £	2012 £
Reported profit on ordinary activities before taxation	2,789,714	2,321,104
Realisation of property revaluation gains of previous years	356,728	-
Historical cost profit on ordinary activities before taxation	3,146,442	2,321,104
Historical cost profit for the year retained after taxation, extraordinary items and dividends	3,100,853	1,748,380

Standard Securities Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 May 2013

	Notes	2013 £	2012 £
Profit for the financial year		2,744,125	1,748,380
Unrealised surplus on revaluation of properties		<u>255,475</u>	<u>2,198,507</u>
Total recognised gains and losses relating to the year		<u><u>2,999,600</u></u>	<u><u>3,946,887</u></u>

Standard Securities Limited

BALANCE SHEET

As at 31 May 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	5	44,024,326	43,082,026
Investments	6	-	100
		<u>44,024,326</u>	<u>43,082,126</u>
CURRENT ASSETS			
Debtors	7	252,710	363,684
Cash at bank and in hand		8,999	5,763
		<u>261,709</u>	<u>369,447</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(2,180,749)</u>	<u>(4,210,938)</u>
NET CURRENT LIABILITIES		<u>(1,919,040)</u>	<u>(3,841,491)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		42,105,286	39,240,635
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(6,655,752)	(6,818,862)
PROVISIONS FOR LIABILITIES	10	(303,506)	(275,345)
NET ASSETS		<u>35,146,028</u>	<u>32,146,428</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Revaluation reserve	12	16,149,538	15,894,063
Profit and loss account	12	18,996,390	16,252,265
SHAREHOLDERS' FUNDS	13	<u>35,146,028</u>	<u>32,146,428</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 4 to 15 were approved by the board of directors and authorised for issue on 5 Feb 2014 and are signed on its behalf by

NE Dangoor CBE
DIRECTOR

Standard Securities Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and leasehold properties

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its parent, Monopro Limited, a company incorporated in the United Kingdom

GOING CONCERN

The accounts have been prepared on the going concern basis

COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

TURNOVER

Turnover represents the net rental income for the year. Rental income arises from operating leases granted to tenants and is recognised on a straight line basis over the term of the lease.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% reducing balance
--------------------------------	----------------------

LEASING

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

INVESTMENTS

Long term investments are classified as fixed assets and stated at cost.

Provision is made for any impairment in the value of fixed asset investments.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Assets, liabilities, and results of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

Standard Securities Limited

ACCOUNTING POLICIES (CONTINUED)

INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19 'Accounting for Investment Properties', which provides that these should not be subject to periodic depreciation charges (unless held on short lease), but should be shown at an open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

Investment properties are revalued annually by the directors and every third year by independent Chartered Surveyors on an open market basis. Changes in market value are recognised in reserves other than deficits expected to be permanent, which are charged to the profit and loss account for the period. No depreciation is provided on freehold investment properties or on leasehold investment properties where the unexpired lease term exceeds 20 years.

Lease extensions incurred in the year are treated as part disposals of the freehold, with any profit or loss on disposal taken to the profit and loss account in the year. Where the length of the lease extension is in excess of 50 years, the residual value is treated as nil where there is no ground rent receivable.

Details of the current value and historical cost information for investment properties are given in note 5.

Standard Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

1 OTHER OPERATING INCOME

Other operating income relates to money received in relation to the sale of lease extensions

2	INTEREST PAYABLE AND SIMILAR CHARGES	2013	2012
		£	£

Included in interest payable is the following amount
On amounts payable to group companies

215,240	281,458
<u>215,240</u>	<u>281,458</u>

3	OPERATING PROFIT	2013	2012
		£	£

Operating profit is stated after charging
Depreciation of tangible assets
Auditor's remuneration for statutory audit

11,657	10,063
11,000	12,000
<u>11,657</u>	<u>10,063</u>
<u>11,000</u>	<u>12,000</u>

Directors' remuneration is borne by the company's parent undertaking, Monopro Limited

Standard Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

4 TAXATION	2013 £	2012 £
UK Corporation tax		
Current tax on profit of the period	34,317	582,206
Adjustment for prior years	(16,889)	(2,395)
CURRENT TAX CHARGE	17,428	579,811
DEFERRED TAX		
Deferred tax charge/credit current year	39,634	(7,087)
Deferred tax adjustment previous year	(11,473)	-
Total deferred tax	28,161	(7,087)
Tax on profit on ordinary activities	45,589	572,724
FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
The tax assessed for the year is lower than the standard rate of corporation tax for small companies (24%) as explained below		
Profit on ordinary activities before taxation	2,789,714	2,321,104
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	664,869	603,487
Effects of		
Non deductible expenses	3,145	4,325
Income not taxable	(171,066)	-
Depreciation in excess of capital allowances	68,107	(15,621)
Group relief claimed	(530,629)	-
Difference in tax rates	-	(7,561)
Other movements	(109)	(2,424)
Adjustments in respect of prior years	(16,889)	(2,395)
CURRENT TAX CHARGE	17,428	579,811

Standard Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

5 TANGIBLE FIXED ASSETS

	Freehold investment properties £	Leasehold investment properties £	Fixtures, fittings & equipment £	Total £
COST OR VALUATION				
At 1 June 2012	32,485,001	10,540,000	178,013	43,203,014
Additions	1,034,524	-	20,686	1,055,210
Revaluation	(34,525)	290,000	-	255,475
Disposals	(267,546)	(89,182)	-	(356,728)
At 31 May 2013	33,217,454	10,740,818	198,699	44,156,971
DEPRECIATION				
At 1 June 2012	-	-	120,988	120,988
Charge for the year	-	-	11,657	11,657
At 31 May 2013	-	-	132,645	132,645
NET BOOK VALUE				
At 31 May 2013	33,217,454	10,740,818	66,054	44,024,326
At 31 May 2012	32,485,001	10,540,000	57,025	43,082,026

Property has been valued at 31 May 2013 based on an open market existing use basis by Robert Mitchells RCIS, Chartered Surveyor

COMPARABLE HISTORICAL COST FOR THE LAND AND BUILDINGS INCLUDED AT VALUATION

	2013 £	2012 £
Freehold	20,728,479	20,032,985
Leasehold	7,480,171	7,480,171

Standard Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings and participating interests
	£
COST OR VALUATION	
At 1 June 2012	100
Written off	(100)
At 31 May 2013	-

HOLDINGS OF MORE THAN 20%

The company holds more than 20% of the share capital of the following companies

COMPANY	Country of registration or incorporation	CLASS	Shares held %
SUBSIDIARY UNDERTAKINGS			
Nailgrange Limited	United Kingdom	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were £nil

Nailgrange Limited was dissolved on 19 June 2012. There were no outstanding balances with Standard Securities Limited at that date.

7 DEBTORS	2013 £	2012 £
Trade debtors	60,302	146,701
Other debtors	192,408	216,983
	<u>252,710</u>	<u>363,684</u>

Standard Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

8	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 £	2012 £
	Bank loans and overdrafts	1,845,295	3,234,680
	Trade creditors	2,653	3,780
	Corporation tax	15,609	574,895
	Other tax and social security	1,667	-
	Accruals and deferred income	315,525	397,583
		<u>2,180,749</u>	<u>4,210,938</u>

The bank overdraft is secured by way of a first legal charge over certain freehold investment property

9	CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2013 £	2012 £
	Other creditors	<u>6,655,752</u>	<u>6,818,862</u>
	ANALYSIS OF LOANS		
	Wholly repayable within five years	<u>6,655,752</u>	<u>6,818,862</u>

The parent undertaking charges interest at a rate of 2.5% (2012 2.5%) per annum over Barclays Bank plc base rate

10	PROVISIONS FOR LIABILITIES	Deferred tax liability £
	Balance at 1 June 2012	275,345
	Profit and loss account	28,161
	Balance at 31 May 2013	<u>303,506</u>

THE DEFERRED TAX LIABILITY IS MADE UP AS FOLLOWS

	2013 £	2012 £
Accelerated capital allowances	<u>303,506</u>	<u>275,345</u>

No provision for deferred taxation has been made in respect of the tax which would be payable if revalued properties were sold at their revalued amounts because there is no intention currently to dispose of the properties. If these properties were disposed of at their balance sheet amount it is estimated that the company tax liability would amount to approximately £2,790,000 (2012 £2,420,000)

Standard Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

11 SHARE CAPITAL	2013	2012
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	100	100
EQUITY SHARES		
100 Ordinary shares of £1 each	100	100

Monopro Limited is beneficially interested in the entire share capital of the company. Monopro Limited prepares consolidated accounts, copies of which can be obtained from the company secretary at the registered office address disclosed on page 1 to these financial statements.

12 RESERVES	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 June 2012	15,894,063	16,252,265
Profit for the year	-	2,744,125
Revaluation during the year	255,475	-
Balance at 31 May 2013	16,149,538	18,996,390

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2013	2012
	£	£
Profit for the financial year	2,744,125	1,748,380
Other recognised gains and losses	255,475	2,198,507
Net addition to shareholders' funds	2,999,600	3,946,887
Opening shareholders' funds	32,146,428	28,199,541
Closing shareholders' funds	35,146,028	32,146,428

14 FINANCIAL COMMITMENTS

At 31 May 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2014

	Land and buildings
	2013
	£
Operating leases which expire	
In over five years	102,000

Standard Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

15 ULTIMATE CONTROLLING PARTY

The directors consider Monopro Limited to be the ultimate controlling party

16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8 that transactions with its wholly owned subsidiaries do not need to be disclosed

The Exilarch's Foundation, a charitable organisation of which the trustees are Dr NE Dangoor CBE, Mr David Dangoor, Mr Michael Dangoor and two other sons of Dr NE Dangoor, was loaned £15,000 (2012 £550,000) in the year by Standards Securities Limited and £Nil (2012 £Nil) was outstanding at the year end. As at 31 May 2013 the Foundation had a creditor balance with Monopro Limited of £Nil (2012 £2,634)