

**CHARLES STREET COMMERCIAL
INVESTMENTS LIMITED**

Report and Financial Statements

Year ended 31 March 2014

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CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

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CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
G D Beckett

SECRETARY

G D Beckett

REGISTERED OFFICE

Lake View
Lakeside
Cheadle
Cheshire
SK8 3GW

BANKERS

The Royal Bank of Scotland Plc
Spinningfields
Manchester
M3 3AP

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity continues to be that of financiers.

The directors consider the performance of the company to be satisfactory and look forward to the future with confidence.

The company qualifies as small in accordance with the provisions of S382(3) of the Companies Act 2006 and is therefore exempt from the requirement to present an enhanced business review and from preparing a Strategic Report.

RESULTS AND DIVIDENDS

The unaudited financial statements are set out on pages 4 to 12. The profit for the year after taxation was £1,621,715 (2013: £546,422).

The directors do not propose payment of a dividend (2013 - £nil).

STATEMENT OF GOING CONCERN

As set out in the Statement of Directors' Responsibilities, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors of the company have considered the company's liquidity position insofar as to the extent to which it might affect the preparation of the company's financial statements on a going concern basis.

On this basis, the directors have determined that the company will have sufficient liquidity to ensure that it will continue in operational existence for the foreseeable future. Accordingly the directors of the company have adopted the going concern basis in preparing financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and subsequently thereafter are shown on page 1.

AUDITORS

As the company qualifies as small per Companies Act 2006 (s382 (3)) it has decided to take the exemption in relation to the requirement to have its accounts audited in the current year.

Approved by the Board of Directors
and signed on behalf of the Board



G.D. Beckett

Secretary 11th February 2015

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 then apply them consistently;
- make judgments and 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 proper accounting records that 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.

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2014

	Note	2014 £	2013 £
TURNOVER	2	2,656,762	1,165,672
Other operating expenses		(216,391)	(213,518)
OPERATING PROFIT		<u>2,440,371</u>	<u>952,154</u>
Interest receivable and similar income	3	-	1,320
Interest payable and similar charges	3	(259,083)	(150,276)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,181,288</u>	<u>803,198</u>
Taxation on profit on ordinary activities	5	(559,573)	(256,776)
RETAINED PROFIT FOR THE FINANCIAL YEAR	10	<u><u>1,621,715</u></u>	<u><u>546,422</u></u>

All activity arose from continuing operations.

There were no recognised gains or losses in either year other than the result for that year as shown above. Accordingly, a separate statement of total recognised gains and losses has not been presented.

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

BALANCE SHEET

31 March 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	6	<u>60,000</u>	<u>60,000</u>
CURRENT ASSETS			
Debtors:			
- due within one year	7	14,678,501	11,145,063
- due after one year	7	2,238	23,303
Cash at bank and in hand		<u>1,453,250</u>	<u>98,054</u>
		16,133,989	11,266,420
CREDITORS: Amounts falling due within one year	8	<u>(11,389,672)</u>	<u>(8,143,818)</u>
NET CURRENT ASSETS		<u>4,744,317</u>	<u>3,122,602</u>
NET ASSETS		<u>4,804,317</u>	<u>3,182,602</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Revaluation reserve	10	48,000	48,000
Profit and loss account	10	<u>4,756,315</u>	<u>3,134,600</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>4,804,317</u>	<u>3,182,602</u>

Directors' statement

For the year ending 31 March 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the Board of Directors on 11th February 2015.

Company Registration no. 1739793

Signed on behalf of the Board of Directors



H.N. Moser
Director

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2014

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with United Kingdom accounting standards and applicable law. They have been applied consistently in the current and prior year. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention (as modified by the revaluation of investment properties) and on the going concern basis. The directors continue to adopt the going concern basis as disclosed in the Directors' Report - Statement of Going Concern.

Cash flow statement

As permitted by FRS 1 (Revised 1996), the company has not produced a cash flow statement as it is defined as a small company in accordance with section 382 (3) of the Companies Act 2006.

Turnover

Turnover comprises total interest recoverable on loan and commissions income. Turnover also includes rents received and receivable on the investment property.

Investment properties

A valuation of investment properties is made annually as at the balance sheet date by the directors, at open market value based on previous valuations conducted by external chartered surveyors. A full valuation by an external valuer is made on a periodic basis. Changes in the market value of investment properties are accounted for by way of a movement in the revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual investment property is expected by the directors to be permanent, in which case the change in market value is charged/(credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account reserve.

In accordance with SSAP 19 "Accounting for Investment Properties", no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 2006 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been decreased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of the cost/value as between land and buildings.

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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

2. TURNOVER

	2014 £	2013 £
Interest and commissions for money lending agreements	2,652,947	1,162,006
Rental income	3,815	3,666
	<u>2,656,762</u>	<u>1,165,672</u>

3. FINANCE INCOME AND CHARGES

Interest receivable and similar income	2014 £	2013 £
Bank interest receivable	-	195
Other interest income	-	1,125
	<u>-</u>	<u>1,320</u>

Interest payable and similar charges	2014 £	2013 £
Bank interest payable	-	(221)
Interest payable on late payment of tax	(4,683)	(2,179)
Interest payable on loan from related parties	(254,400)	(147,876)
	<u>(259,083)</u>	<u>(150,276)</u>

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (continued) Year ended 31 March 2014

4. STAFF COSTS

The company had no employees and paid no directors' emoluments during either year.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) The tax charge comprises:

	2014 £	2013 £
Current tax		
UK corporation tax	560,381	239,609
Adjustment in respect of previous years	(808)	17,167
Total tax on profit on ordinary activities	<u>559,573</u>	<u>256,776</u>

There is no deferred tax balance or movement.

b) The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>2,181,288</u>	<u>803,198</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%)	501,696	192,768
Effects of:		
Expenses not deductible for tax purposes	173	11,351
Movement in short term timing differences	58,512	35,490
Adjustments to tax charge in respect of previous periods	(808)	17,167
Current tax charge for period	<u>559,573</u>	<u>256,776</u>

6. TANGIBLE FIXED ASSETS

	Investment property £
Valuation	
At beginning of year	60,000
Revaluation	-
At end of year	<u>60,000</u>

If the investment property had not been revalued, it would have been included in the balance sheet at £12,000 (2013: £12,000).

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (continued) Year ended 31 March 2014

7. DEBTORS

	2014 £	2013 £
Amounts falling due within one year:		
Trade debtors	14,525,785	11,139,922
Other debtors	-	1,125
Amounts owed from related parties	152,716	4,016
	<u>14,678,501</u>	<u>11,145,063</u>
Amounts falling due after one year:		
Trade debtors	2,238	23,303
	<u>2,238</u>	<u>23,303</u>
	<u>14,680,739</u>	<u>11,168,366</u>

Trade debtors include amounts due in respect of loans provided during the normal course of business. Amounts owed by related companies are in respect of Blemain Finance, Lancashire Mortgage, Bridging Finance and Sterling Property Co. Limited, companies in which H N Moser is a director and shareholder (see note 12). Also included in trade debtors is an amount of £900,000 (2013: £900,000) loaned to Sunnywood Estates Limited, a company in which H N Moser is a director and shareholder.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Amounts owed to related parties	10,813,906	7,788,291
Corporation tax	559,573	331,935
Other creditors	4,994	4,035
Accruals and deferred income	11,199	19,557
	<u>11,389,672</u>	<u>8,143,818</u>

9. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

NOTES TO THE ACCOUNTS (continued)
Year ended 31 March 2014

	Revaluation reserve £	Profit and loss account £
At beginning of year	48,000	3,134,600
Retained profit for the year	-	1,621,715
At end of year	48,000	4,756,315

	2014 £	2013 £
Opening equity shareholders' funds	3,182,602	2,636,180
Profit for the financial year	1,621,715	546,422
Closing equity shareholders' funds	4,804,317	3,182,602

	2014 £	2013 £
Treasury receipts from 'D.L. Moser Family Settlement Trust'	3,780,000	1,815,000
Treasury payments to 'D.L. Moser Family Settlement Trust'	(1,010,000)	(2,075,000)
Interest payable on loan from related party	179,175	100,630
	<u>2,949,175</u>	<u>(159,370)</u>
	2014 £	2013 £
Amounts due to 'D.L. Moser Family Settlement Trust'	7,765,831	4,816,656

	2014 £	2013 £
Treasury receipts from Hayley Moser	-	2,924,389
Interest payable on loan from related party	75,225	47,246
	<u>75,225</u>	<u>2,971,635</u>

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CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (continued) Year ended 31 March 2014

12. RELATED PARTY TRANSACTIONS (CONTINUED)

The company entered into the following transactions during the year with companies in which H.N. Moser is a director and shareholder:

	2014 £	2013 £
<i>Sterling Properties Limited</i>		
Rental receipts collected by Sterling Property Co. Limited	3,815	3,666
Rental management fee due to Sterling Property Co. Limited	(1,324)	(1,467)
Payments from Sterling Property Co. Limited	(2,479)	(2,199)
<i>Lancashire Mortgage Corporation Limited</i>		
Commission due to Lancashire Mortgage Corporation Limited	(68,090)	(48,485)
Commission paid to Lancashire Mortgage Corporation Limited	68,090	48,485
Amounts received by Charles Street Commercial Investments Limited relating to Lancashire Mortgage Corporation Limited	(430,000)	-
Repayments by Charles Street Commercial relating to Lancashire Mortgage Corporation Limited	430,000	-
Amounts received by Lancashire Mortgage Corporation Limited relating to Charles Street Commercial Investments Limited	6,000	-
Repayments by Lancashire Mortgage Corporation Limited to Charles Street Commercial Investments Limited	(4,400)	-
<i>Bridging Finance Limited</i>		
Commission due to Bridging Finance Limited	(79,090)	(110,820)
Commission paid to Bridging Finance Limited	79,090	110,820
Amounts received by Bridging Finance Limited relating to Charles Street Commercial Investments Limited	196,500	-
Repayments by Bridging Finance Limited to Charles Street Commercial Investments Limited	(60,303)	(14,197)
<i>Spot Finance Limited</i>		
Amounts received by Charles Street Commercial Investments Limited relating to Spot Finance Limited	(3,645)	-
Repayments by Charles Street Commercial relating to Spot Finance Limited	2,430	-
<i>Blemain Finance Limited</i>		
Amounts received by Blemain Finance Limited relating to Charles Street Commercial Investments Limited	11,568	-
Repayments by Blemain Finance Limited to Charles Street Commercial Investments Limited	(677)	-
Payments to Blemain Finance Limited	-	36,741
	<u>147,485</u>	<u>22,544</u>

	Balances due to		Balances due from	
	2014 £	2013 £	2014 £	2013 £
Blemain Finance Limited	-	-	10,891	-
Bridging Finance Limited	-	-	140,000	3,803
Lancashire Mortgage	-	-	1,600	-
Spot Finance Limited	1,215	-	-	-
Sterling Property Co. Limited	-	-	225	213
	<u>1,215</u>	<u>-</u>	<u>152,716</u>	<u>4,016</u>

CHARLES STREET COMMERCIAL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 31 March 2014

13. ULTIMATE CONTROLLING PARTY

H.N. Moser is the ultimate controlling party of the company.