REGISTERED NUMBER: 01797570 (England and Wales)

COROB CONSOLIDATED LIMITED

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

COROB CONSOLIDATED LIMITED (REGISTERED NUMBER: 01797570)

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Page
Company Information	1
Consolidated Balance Sheet	2
Company Balance Sheet	4
Notes to the Consolidated Financial Statements	5

COROB CONSOLIDATED LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:	F Cook Ms L E Corob Ms A L Corob J V Hajnal
SECRETARY:	S N Bentley FCCA
REGISTERED OFFICE:	62 Grosvenor Street London W1K 3JF
REGISTERED NUMBER:	01797570 (England and Wales)
AUDITORS:	Wilkins Kennedy Audit Services Statutory Auditor 2nd Floor Regis House 45 King William Street London EC4R 9AN

COROB CONSOLIDATED LIMITED (REGISTERED NUMBER: 01797570)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	6	**63,730**	80,407
Investments	7		
Interest in associate		**19,975,488**	27,507,955
Other investments		**892,044**	1,142,044
Investment property	8	**28,057,498**	28,933,775
		48,988,760	57,664,181
CURRENT ASSETS			
Stocks		**381,593**	381,593
Debtors	9	**44,765,229**	46,589,537
Investments	10	**726,299**	968,407
Cash at bank		**8,168,799**	1,620,066
		54,041,920	49,559,603
CREDITORS			
Amounts falling due within one year	11	**(33,587,771)**	(33,930,856)
NET CURRENT ASSETS		**20,454,149**	15,628,747
TOTAL ASSETS LESS CURRENT LIABILITIES		**69,442,909**	73,292,928
CREDITORS			
Amounts falling due after more than one year	12	**(20,000,000)**	(20,123,558)
PROVISIONS FOR LIABILITIES		**(378,723)**	(15,707)
PENSION LIABILITY		**(454,410)**	(992,000)
NET ASSETS		**48,609,776**	52,161,663
CAPITAL AND RESERVES			
Called up share capital		**5,000,000**	5,000,000
Share premium		**137,311**	137,311
Revaluation reserve	13	**22,298,991**	23,178,991
Capital redemption reserve		**29,155,695**	29,155,695
Retained earnings		**(7,982,221)**	(5,310,334)
		48,609,776	52,161,663

The notes form part of these financial statements

continued...

CONSOLIDATED BALANCE SHEET - continued
31 DECEMBER 2018

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 12/9/19 and were signed on its behalf by:

Felix Cook

F Cook - Director

The notes form part of these financial statements

COROB CONSOLIDATED LIMITED (REGISTERED NUMBER: 01797570)

COMPANY BALANCE SHEET
31 DECEMBER 2018

	Notes	2018 £	2017 £
CURRENT ASSETS			
Investments	10	**46,476,864**	46,476,864
Cash at bank		**19**	19
		46,476,883	46,476,883
CREDITORS			
Amounts falling due within one year	11	**(1,803,641)**	(1,803,641)
NET CURRENT ASSETS		**44,673,242**	44,673,242
TOTAL ASSETS LESS CURRENT LIABILITIES		**44,673,242**	44,673,242
CAPITAL AND RESERVES			
Called up share capital		**5,000,000**	5,000,000
Revaluation reserve	13	**39,930,269**	39,930,269
Retained earnings		**(257,027)**	(257,027)
		44,673,242	44,673,242
Company's profit for the financial year		**-**	-

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

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Felix Cook

F Cook - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Corob Consolidated Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

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

2. ACCOUNTING POLICIES

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

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the company and all subsidiary undertakings, together with the group's share of net assets and results of associated undertakings. Acquisitions are accounted for under the acquisition method. The results of companies acquired and disposed of are included in the group statement of comprehensive income from or up to the date that control passes respectively.

In respect of the associates, the group recognises its share of losses to the extent that it reduces the carrying amount of the investment in associates to zero. Further losses are recognised as a provision only to the extent that the investor has incurred a legal or constructive obligation or has made payments on behalf of the associate.

Cash flow exemption
The Company has taken advantage of the exemption in FRS 102 7.1B to not present a statement of cash flows.

Going concern
After reviewing the group's forecasts and projections, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover
Group turnover is represented by rental income, service charges, management commissions and dividends receivable on investments held.

Rental and service charge income is recognised on a receivable basis, exclusive of VAT. The cost of lease incentives is offset against the total rents due and the net income is then spread evenly over the duration of the lease.

Management commissions are recognised when, and to the extent that, the company obtains the right to consideration in exchange for performance of management services.

Dividend income is recognised in the income statement on a receivable basis.

continued...

Tangible fixed assets
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	- 25% on written down value
Fixtures and fittings	- 5% to 20% on cost or written down value

Investments in subsidiaries and associates
Investments in subsidiary and associated undertakings are valued at cost less provision for impairment in the parent company. An associate is an entity over which the investor has significant influence. The presumption is rebutted where it can be demonstrated significant influence does not exist.

Investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in the income statement and accumulated in the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the income statement for the year. The fair value is determined annually by valuation specialists employed by the Group.

The valuer used a valuation technique based on a discounted cash flow model using inputs derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in location. The key assumptions used to determine the fair value of investment property are further explained in note 3.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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Financial instruments
The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

The Group has also entered into a non-basic derivative financial instrument transaction that is initially measured at fair value on the date on which the contract is entered into and is subsequently measured at fair value through profit or loss.

The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at a cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Current asset investments
Current asset investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit or loss). Subsequently, they are measured at fair value through profit or loss except for those investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measurement of fair value becomes available.

If a reliable measure of fair value is no longer available, the investment's fair value on the last date the instrument was reliably measured is treated as cost of the investment.

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 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.

Cash at bank
Cash at bank in the balance sheet comprises cash at banks and in hand and short term deposits with an original maturity date of three months or less.

 continued...

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 the present value of future payments discounted at the 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.

Pensions
The Group, as an employer, contributes to a money purchase pension scheme for the benefit of certain employees and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group operates a final salary defined benefit pension scheme under which retirement benefits are funded by contributions from the Group and its employees. Payment is made to the pension trust in accordance with calculations made periodically by consulting actuaries.

The Group applies the provisions of FRS 102.28 'Retirement Benefits'. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the current service cost of providing the benefits, curtailment and settlement gains and losses and financial returns on the pension fund, all reflected in the period to which they relate. The current service cost and costs from settlements and curtailments are charged against operating profit. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are recorded through the statement of recognised gains and losses. Disclosure has been made of the assets and liabilities of the scheme under FRS 102.28 in note 13 to the accounts.

Finance costs
Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction of the associated capital instrument.

Interest income
Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Investment properties
The fair value of the group's investment property as at 31 December 2018 was determined by the Directors. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation - Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties. Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases.

The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things,

continued...

any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

There are inter relationships between all inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be migrated by the interrelationship of two inputs in opposite directions.

Interest rate swap
The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

Market value of interest
The directors are required to make judgements in determining a market rate of interest on the intercompany and related party loans and how they are classified (ie as non-financing or financing). The directors have assessed the market rate of interest on these loans to equate to 2.5% above base rate. This judgement has been made based on rates of similar transactions the Group has entered into.

Recoverability of loans to associates
The directors remain in regular contact with Redress Solutions plc and are satisfied that the investment is represented at fair value as at the Statement of Financial position date and the loan provided to the company is recoverable.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2017 - 12).

continued...

5. TANGIBLE FIXED ASSETS

Group

	Plant and machinery etc £
COST	
At 1 January 2018	265,404
Additions	6,165
At 31 December 2018	271,569
DEPRECIATION	
At 1 January 2018	184,997
Charge for year	22,842
At 31 December 2018	207,839
NET BOOK VALUE	
At 31 December 2018	63,730
At 31 December 2017	80,407

6. FIXED ASSET INVESTMENTS

Group

	Investment in associates £	Loans to investments £	Totals £
COST OR VALUATION			
At 1 January 2018	27,507,955	1,142,044	28,649,999
Movement in the year	(7,532,467)	(250,000)	(7,782,467)
At 31 December 2018	19,975,488	892,044	20,867,532
NET BOOK VALUE			
At 31 December 2018	19,975,488	892,044	20,867,532
At 31 December 2017	27,507,955	1,142,044	26,846,666

Investment in associates

At the year end the investment in associates comprise of a 47.7% shareholding in Corob (West One) Limited, a company incorporated in England and Wales.

During the current year there was a group restructure resulting in a loss in associates.

continued...

Loans to investments

The group has advanced monies to a related undertaking, Redress Solutions Plc, an associated company that also has certain directors in common with the group or its subsidiaries.

During the year, the group was repaid £250,000 (2017: £Nil) by the company, to bring the total invested to £892,044 (2017: £1,142,044). The loan is interest free and repayable on demand.

Company

	Total £
FAIR VALUE	
At 1 January 2018	**46,476,864**
At 31 December 2018	**46,476,864**
NET BOOK VALUE	
At 31 December 2018	**46,476,864**
At 31 December 2017	46,476,864

7. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2018	**28,933,775**
Additions	**4,343**
Disposals	**(620)**
Revaluations	**(880,000)**
At 31 December 2018	**28,057,498**
NET BOOK VALUE	
At 31 December 2018	**28,057,498**
At 31 December 2017	28,933,775

The 2018 valuations were made by W Gear, a member of RICS.

Security is held over the Group's freehold investment property in respect of the bank loan.

The historical cost value of the investment property is £19,710,736 (2017: £19,707,013).

continued...

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Trade debtors	**150,338**	-	-	-
Amounts owed by participating interests	**100,000**	-	-	-
Amounts owed by associates	**42,432,685**	43,509,330	-	-
Other debtors	**2,082,206**	3,080,207	-	-
	44,765,229	46,589,537	-	-

9. CURRENT ASSET INVESTMENTS

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Shares in group undertakings	-	-	**46,476,864**	46,476,864
Listed investments	**726,299**	968,407	-	-
	726,299	968,407	**46,476,864**	46,476,864

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Trade creditors	**19,734**	-	-	-
Amounts owed to group undertakings	-	-	**1,803,641**	1,803,641
Amounts owed to participating interests	**18,621,103**	14,746,599	-	-
Amounts owed to associates	-	2,785,784	-	-
Taxation and social security	**392,028**	561,695	-	-
Other creditors	**14,554,906**	15,836,778	-	-
	33,587,771	33,930,856	**1,803,641**	1,803,641

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2018	2017
	£	£
Bank loans	**20,000,000**	20,000,000
Other creditors	-	123,558
	20,000,000	20,123,558

continued...

Corob Holdings Limited has a loan facility with National Westminster Bank plc for £20million. The amount drawn down at 31 December 2018 was £20m (2017: £20m). This loan was repayable on the 31 January 2019. However a new 5 year loan was arranged in August 2018.

Security is held over the Group's investment property is respect of the bank loan from National Westminster Bank plc.

The group has purchase interest rate swaps to manage interest rate risk volatility. The estimate of the fair value of derivatives held as at the statement of financial position date was a liability of £24,786 (2017: £123,558). In the current year this amount has been included in other creditors within short term creditors.

12. RESERVES

Investment property reserve
The investment property revaluation reserve represents the cumulative unrealised valuation movement on investments properties which is transferred from Retained earnings.

Other reserves
Other reserves represents the net surplus arising from realised capital profits which, under the company's Articles of Association, is not distributable.

Retained Earnings
Includes all current and prior year retained realised profits and losses.

Foreign exchange reserve
Includes all foreign exchange movements on translation of overseas subsidiaries.

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Auditors' Report was unqualified.

Timothy Collerton ACA FCCA CTA (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services

14. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit pension scheme, which is based on final salary. The assets of the scheme are held apart from those of the undertaking in a separately administered fund.

The pension cost and provision for the year ended 31 December 2018 are based on FRS102 calculations provided by FarrSight Solutions Limited.

The scheme is now closed to new members and the age profile of the active members is rising and under the projected unit method the current service costs will increase as the members of the scheme reach retirement.

The directors have decided that the company will make annual contributions of at least the minimum funding requirement certified by the scheme's actuary.

 continued...

Reconciliation of present value of plan liabilities:

	2018	2017
	£	£
Reconciliation of present value of plan liabilities		
At the beginning of the year	4,529,000	4,273,000
Current service cost	46,000	39,000
Interest cost	118,000	115,000
Actuarial (gains) / losses	(328,000)	196,000
Benefits paid	(102,000)	(94,000)
At the end of the year	4,264,000	4,529,000

	2018	2017
	£	£
At the beginning of the year	3,289,000	3,132,000
Interest income	91,000	86,000
Scheme expenses	(30,000)	(29,000)
Actuarial losses	(75,000)	(19,000)
Contributions by employer	530,000	213,000
Benefits paid	(102,000)	(94,000)
At the end of the year	3,703,000	3,289,000

Composition of plan assets:

	2018	2017
	£	£
Fixed interest	52,000	106,000
Equities and managed funds	525,000	636,000
Cash	3,126,000	2,547,000
Total plan assets	3,703,000	3,289,000

	2018	2017
	£	£
Fair value of plan assets	3,703,000	3,289,000
Present value of plan liabilities	(4,264,000)	(4,529,000)
Related deferred tax asset	(106,590)	(248,000)
Net pension scheme liability	(454,410)	(992,000)

The amounts recognised in profit and loss are as follows:

	2018	2017
	£	£
Current service cost	(46,000)	(39,000)
Interest on obligation	(27,000)	(29,000)
Total	(73,000)	(68,000)

Reconciliation of scheme obligations were as follows:

	2018	2017
	£	£
Opening defined benefit obligation	(1,240,000)	(1,141,000)
Current service cost	(46,000)	(39,000)
Scheme expenses	(30,000)	(29,000)
Contributions by scheme participants	530,000	213,000
Interest cost	(27,000)	(29,000)
Actuarial gains / (losses)	252,000	(215,000)
Closing defined benefit obligation	(561,000)	(1,240,000)

continued...

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2018	2017
Discount rate	2.8% pa	2.6% pa
Retail price inflation	3.3% pa	3.3% pa
Mortality rates		
- for a male aged 65 now	21.6	21.6
- future male pensioners at 65	22.7	23.0
- for a female aged 65 now	23.9	23.5
- future female pensioners at 65	25.1	25.1

14. RELATED PARTY TRANSACTIONS

A subsidiary undertaking has loaned monies to S J Wiseman, a director of that subsidiary, amounting to £Nil (2017: £642,882) with the full amount being repaid in the current year. No interest is being charged on the loan.

Transactions with group companies
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

15. CONTROLLING PARTY

In the view of the directors, the group does not have a controlling party.