

Company Registration No. 03364739 (England and Wales)

SANTON CAPITAL PLC
ANNUAL REPORT
FOR THE YEAR ENDED 30 APRIL 2013

WEDNESDAY



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COMPANIES HOUSE

SANTON CAPITAL PLC

DIRECTORS AND ADVISERS

Directors	B S Sandhu S Carey
Senior Management	V Donnelly H Kelsey C Wilding
Secretary	S Carey Financial & Legal Services Ltd
Company number	03364739
Registered office	Santon House 53/55 Uxbridge Road Ealing London W5 5SA
Registered auditors	Gerald Edelman 25 Harley Street London W1G 9BR
Solicitors	Linklaters LLP One Silk Street London EC2Y 8HQ Steptoe & Johnson 99 Gresham Street London EC2V 7NG

SANTON CAPITAL PLC

DIRECTORS AND ADVISERS

Bankers

HSBC Bank PLC

Level 2

8 Canada Square

Canary Wharf

London

E14 5HQ

Barclays Bank PLC

Ashton House

497 Silbury Boulevard

Milton Keynes

MK29 2LD

Merrill Lynch

2 King Edward Street

London

EC1A 1HQ

Investec

2 Gresham Street

London

EC2V 7QP

Bank of Scotland

The Mound

Edinburgh

EH1 1YZ

SANTON CAPITAL PLC

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SANTON CAPITAL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2013

The directors present their report and financial statements for the year ended 30 April 2013

Principal activities and review of the business

The principal activity of the group during the year continued to be that of property development

The Group's turnover increased from £59.6 million to £67.3 million. The Operating Profit increased from £7.06 million to £9.54 million. Profit before Tax increased from £0.30 million to £1.01 million.

As at 30 April 2013 stock of property, principally commercial, decreased from £501 million to £498 million. The Group's total assets decreased marginally from £548 million to £542 million.

During the year the group acquired Santon House, a multiple let office building in Ealing, with tenants including the West London corporate office of HSBC commercial banking, William Sturgess solicitors and Insightsoftware.com. The building will also act as the long term HQ for the group itself after 20 plus years of being a tenant in other people's buildings!

The group has made significant advances on the 15 acre Lewes development site which is being undertaken in joint venture with financial support from MAS Real Estate Inc, a South African backed listed property fund. Although a number of significant challenges remain on this highly complicated site, we expect to be in a position to submit planning during the current financial year in the hope of receiving planning in the following year.

The group has substantially developed The Highland Club, the Grade A, Fort Augustus Abbey, Loch Ness into 109 luxury residential units. Three units remain to be developed with planning submitted for a further 8 cottages. As we have said before, this has been a true labour of love for the group and it is a significant achievement for Santon that it chose to devote the necessary time and financial resources to enable the project to be completed in the most hostile of economic environments. Since we purchased the project in 2003, we have encountered every imaginable development and construction difficulty during the conversion. We have had various contractors and sub-contractors go bust on us, many contracted purchasers have been unwilling or unable to honour their commitments and our primary external funder, Anglo Irish Bank, went bust and was unable to provide funding that they had committed to, somewhat bizarrely at one point they even stopped us from putting in money on agreed terms to complete the development, and had to be refinanced out, our former JV partner wanted the project put into administration etc. Nevertheless, despite all these difficulties, we managed to successfully complete the project so that the listed buildings will now be preserved into perpetuity.

The Highland Club has played an important role in regenerating the area and, as the units are largely used as holiday lets, will continue to provide a material boost to the economic growth in this area going forward.

We are proud that the development has amassed a clutch of awards which reflect on the work we have put in and are continuing to put in.

AWARDS 2013

The Green Apple Environment Gold Award 2013 -Winner, Built Environment Rural

RICS Award 2013 - Winner, Tourism and Leisure

RICS Award 2013 - Winner (Highly commended), Building Conservation

The International Green Apple Silver Award 2013 -Winner, Built Environment Tourist Attraction

The International Green Apple Bronze Award 2013 -Winner, Built Environment Regeneration

The Ideal Home Blue Ribbon Awards 2013 - Finalist, Conversion/Refurbishment of the Year

The Regeneration & Renewal Awards 2013 - Winner, Regeneration of a Rural Community

SANTON CAPITAL PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

AWARDS 2012

Scottish Homes Awards 2012- Winner, The Conversion of the Year

Scottish Homes Awards 2012 - Finalist, Rural Development of the Year

International Property Awards 2012- Winner, Development of Multiple Units with the Highland Club Project for Highlands, UK

Herald Property Awards 2012- Commendation, Best Renovation of the Year

Herald Property Awards 2012- Finalist (one of four), Best Development of the Year

Regeneration & Renewals Awards 2012- Short listed, Regeneration in a Rural Community

IAA West Highlands Awards 2012- Winner, New Uses for Old Buildings

Results and dividends

The consolidated profit and loss account for the year is set out on page 6

No dividends have been paid on the ordinary shares of the company (2012 £Nil)

Prospects

Prospects for the residential market, at least in London and the South East of England, have changed significantly largely thanks to government initiatives such as the Help to Buy scheme. Our own view is that in itself throwing cheap credit at the housing sector is more likely to increase the cost to home buyers (whilst such a facility remains available) rather than lead to a substantial increase in the construction of new houses over and above what would have happened at this point in the cycle anyway. It is the supply side that should be of primary concern, not the demand for housing, and if the government wants to get the supply side moving they are going to have to do something to tackle the chronic problems in the highly politicised planning system. The government cannot have both a 'localism' agenda which is leading to increasing delays in the planning process and an increase in the pace of construction of potential development land that it is seeking. Lewes is a good example. It will probably take us three years and millions in fees and expense to get planning from the point of purchase, and that is on top of the previous developer having taken several years prior without any success and having lost over £10m and gone bust for the joy. Help!

The commercial market is also beginning to become more energised as people recognize the relative cheapness of the secondary market compared to prime London. However, banking still remains difficult although there is certainly more competition than a year ago and although Loan to Value's remain low and will continue to remain low for some time to come.

We will continue to look for opportunistic development and investment opportunities.

Directors

The following directors have held office since 1 May 2012

B S Sandhu

S Carey

Charitable and Political donations

The Group does not make any political donations and has never done so.

The Group made direct charitable contributions of £18,320 during the year (2012 £12,600). The largest donation, £10,000 was paid to Magic Bus. The main charitable activities of the Group and the Sandhu family are undertaken through The Sandhu Charitable Foundation towards which the Group makes ad hoc contributions.

The Sandhu Charitable Foundation also made charitable contribution of £294,250 during its year ended 31 March 2013 (2012 £259,000).

SANTON CAPITAL PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

Creditor payment policy

The Group's operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with those terms provided that suppliers also comply with all relevant terms and conditions. At the year end date the Group's trade creditors represented an average of approximately 21 days (2012: 20 days) purchases.

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



S. Carey
Director

28 October 2013

SANTON CAPITAL PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SANTON CAPITAL PLC

We have audited the group and parent company financial statements (the "financial statements") of Santon Capital Plc for the year ended 30 April 2013 set out on pages 6 to 23. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Annual Report to identify material inconsistencies with the audited financial statements. 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 group's and parent company's affairs as at 30 April 2013 and of the group's 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.

SANTON CAPITAL PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SANTON CAPITAL PLC

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Engin Zekia FCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

28 October 2013

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

SANTON CAPITAL PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2013

	Notes	2013 £	2012 £
Turnover	2	67,276,837	59,556,915
Cost of sales		(53,990,722)	(49,279,567)
Gross profit		13,286,115	10,277,348
Administrative expenses		(3,747,218)	(3,367,257)
Other operating income		-	148,483
Operating profit	3	9,538,897	7,058,574
Profit on disposal of fixed asset investment		13,917	143,210
Profit on ordinary activities before interest		9,552,814	7,201,784
Investment income	4	176,344	69,863
Other interest receivable and similar income		355,415	307,259
Amounts (released)/written off investments	5	74,159	(42,079)
Interest payable and similar charges	6	(9,150,365)	(7,241,876)
Profit on ordinary activities before taxation		1,008,367	294,951
Tax on profit on ordinary activities	7	(174,278)	(98,625)
Profit on ordinary activities after taxation		834,089	196,326
Minority interests		-	(5,272)
Profit for the financial year	16	834,089	191,054

The profit and loss account has been prepared on the basis that all operations are continuing operations

SANTON CAPITAL PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 APRIL 2013

	2013	2012
	£	£
Profit for the financial year	834,089	196,326
Unrealised surplus/(deficit) on revaluation	<u>1,126,733</u>	<u>(26,477)</u>
Total recognised gains and losses relating to the year	<u><u>1,960,822</u></u>	<u><u>169,849</u></u>

SANTON CAPITAL PLC

BALANCE SHEETS

AS AT 30 APRIL 2013

		Group		Company	
	Notes	2013	2012	2013	2012
		£	£	£	£
Fixed assets					
Intangible assets	9	128,849	257,700	-	-
Tangible assets	10 & 11	5,932,428	1,517,275	-	-
Investments	12	6,238,343	5,356,489	5,657,467	4,819,848
		<u>12,299,620</u>	<u>7,131,464</u>	<u>5,657,467</u>	<u>4,819,848</u>
Current assets					
Stocks	13	498,237,219	501,008,061	-	-
Debtors	14	11,496,711	4,619,232	6,019,809	2,277,612
Cash at bank and in hand		20,005,998	35,532,313	2,109,561	5,042,587
		<u>529,739,928</u>	<u>541,159,606</u>	<u>8,129,370</u>	<u>7,320,199</u>
TOTAL ASSETS		<u>542,039,548</u>	<u>548,291,070</u>	<u>13,786,837</u>	<u>12,140,047</u>
Capital and reserves					
Called up share capital	15	124,002	124,002	124,002	124,002
Merger reserve	16	195,053	195,053	-	-
Revaluation reserve	16	2,170,119	1,060,386	668,496	245,601
Other reserves	16	499,684	499,684	92,000	92,000
Profit and loss account	16	1,117,626	266,555	7,267,215	5,704,666
Shareholders' funds	17	<u>4,106,484</u>	<u>2,145,680</u>	<u>8,151,713</u>	<u>6,166,269</u>
Creditors' amounts falling due within one year	18	<u>74,704,597</u>	<u>107,031,909</u>	<u>5,635,124</u>	<u>5,973,778</u>
Creditors' amounts falling due after more than one year	19	<u>463,228,467</u>	<u>439,113,481</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, CAPITAL AND RESERVES		<u>542,039,548</u>	<u>548,291,070</u>	<u>13,786,837</u>	<u>12,140,047</u>

Approved by the Board and authorised for issue on 28 October 2013

See Gary

S Carey
Director

Company Registration No. 03364739

SANTON CAPITAL PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2013

	£	2013 £	£	2012 £
Net cash inflow/(outflow) from operating activities		14,340,943		(126,400,377)
Returns on investments and servicing of finance				
Interest received	355,415		307,259	
Interest paid	(8,975,184)		(7,014,061)	
Dividends received	176,344		69,863	
Net cash outflow for returns on investments and servicing of finance		(8,443,425)		(6,636,939)
Taxation		(99,129)		(112,046)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(3,758,379)		(205,980)	
Payments to acquire investments	(513,783)		(1,077,427)	
Receipts from sales of investments	129,984		2,283,998	
Net cash (outflow)/inflow for capital expenditure		(4,142,178)		1,000,591
Net cash inflow/(outflow) before management of liquid resources and financing		1,656,211		(132,148,771)
Financing				
Bank and other loans	(17,182,526)		124,763,445	
Net cash (outflow)/inflow from financing		(17,182,526)		124,763,445
Increase/(decrease) in cash in the year		(15,526,315)		(7,385,326)

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2013

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2013	2012
		£	£
	Operating profit	9,538,897	7,058,574
	Depreciation of tangible assets	30,064	21,932
	Amortisation of intangible assets	158,777	197,388
	Decrease/(increase) in stocks	2,770,842	(134,634,040)
	(Increase)/decrease in debtors	(6,877,479)	427,944
	Increase in creditors within one year	8,719,842	527,825
	Net cash inflow/(outflow) from operating activities	14,340,943	(126,400,377)

2	Analysis of net debt	1 May 2012	Cash flow	Other non-cash changes	30 April 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	35,532,313	(15,526,315)	-	20,005,998
	Debts falling due within one year	(87,400,975)	41,297,512	-	(46,103,463)
	Debts falling due after one year	(439,113,481)	(24,114,986)	-	(463,228,467)
		(526,514,456)	17,182,526	-	(509,331,930)
	Net debt	(490,982,143)	1,656,211	-	(489,325,932)

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	Decrease in cash in the year	(15,526,315)	(7,385,326)
	Cash outflow/(inflow) from decrease/(increase) in debt	17,182,526	(124,763,445)
	Movement in net debt in the year	1,656,211	(132,148,771)
	Opening net debt	(490,982,143)	(358,833,372)
	Closing net debt	(489,325,932)	(490,982,143)

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2013

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the inclusion of certain tangible fixed assets at valuation, and in accordance with applicable UK accounting standards and the Companies Act 2006

The financial statements have been prepared on a going concern basis

1.2 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)

1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and those of its subsidiary undertakings and joint ventures made up to 30 April 2013

As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account. The results of the parent company are shown in note 8

1.4 Joint ventures

In the consolidated financial statements investments in joint ventures are accounted for under the gross equity method, pursuant to the requirements of FRS 9 Associates and Joint Ventures

In the company's financial statements investments in joint ventures are stated at cost

1.5 Revenue recognition

Turnover comprises property management fees, the sales value of property developments, property rents receivable and development income where this can be reliably measured at the period end

1.6 Goodwill

Goodwill represents the difference between the costs of acquiring subsidiaries and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less amortisation charge, which is based on its estimated useful economic life of four years

1.7 Tangible fixed assets and depreciation

Tangible fixed assets 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

Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% Straight line

Leases with an unexpired term of less than twenty years are depreciated over the length of the lease

Fixed asset investments are stated at cost less provision for diminution in value

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

1 Accounting policies (continued)

1.8 Stock

Stock, comprising development projects and properties, is stated at the lower of cost and net realisable value. Net realisable value is defined as estimated selling price less all further costs of development and estimated selling costs.

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates 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 profit and loss account.

1.12 Investment properties

Purchases and sales of investment properties are accounted for on exchange of contract, unless the contract is conditional and the condition has not been satisfied at the date financial statements are approved. In such circumstances the purchase or sale is accounted for on completion of contract.

Properties purchased in the year but subject to unconditional exchange of contracts at the balance sheet date are included in the financial statements at cost. Other properties held for investment purposes are included in the financial statements at their open market value. Surpluses or deficits arising on periodic revaluations of investments are transferred to revaluation reserve.

1.13 Investments

Investments held as fixed assets are stated at cost less provision for diminution in value.

Unlisted investments held as fixed assets are stated at estimated market value.

1.14 Finance costs

In accordance with FRS 25 ("Financial Instruments: Presentation") loans are included in the financial statements net of issue costs, which are amortised over life of the loans.

2 Turnover

Turnover represents income receivable from the principal activities of the group arising wholly in the UK, exclusive of VAT.

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

3	Operating profit	2013	2012
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	128,851	128,849
	Depreciation of tangible assets	30,064	21,932
	Auditors' remuneration (company £2,000, 2012 £2,000)	41,000	59,750
		<u> </u>	<u> </u>
 4	 Investment income	 2013	 2012
		£	£
	Income from fixed asset investments	176,344	69,863
		<u> </u>	<u> </u>
 5	 Amounts written off investments	 2013	 2012
		£	£
	Amounts written off fixed asset investments		
	- permanent diminution in value	-	42,079
	Amounts written off investments in prior years written back		
	- fixed assets	(74,159)	-
		<u> </u>	<u> </u>
		(74,159)	42,079
		<u> </u>	<u> </u>
 6	 Interest payable	 2013	 2012
		£	£
	On bank loans and overdrafts	8,975,184	7,038,231
	On overdue tax	-	142
	Other interest	175,181	203,503
		<u> </u>	<u> </u>
		9,150,365	7,241,876
		<u> </u>	<u> </u>

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

7	Taxation	2013 £	2012 £
	Domestic current year tax		
	U K corporation tax	174,278	98,939
	Adjustment for prior years	-	(314)
	Total current tax	<u>174,278</u>	<u>98,625</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,008,367</u>	<u>294,951</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	<u>242,008</u>	<u>76,687</u>
	Effects of		
	Non deductible expenses	38,649	28,012
	Depreciation add back	7,216	5,702
	Capital allowances	(20,621)	(3,211)
	Tax losses utilised	(28,613)	(28,698)
	Adjustments to previous periods	-	(314)
	Non taxable income	(42,318)	-
	Other tax adjustments	(22,043)	20,447
		<u>(67,730)</u>	<u>21,938</u>
	Current tax charge for the year	<u>174,278</u>	<u>98,625</u>

8 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2013 £	2012 £
Holding company's profit for the financial year	<u>1,562,548</u>	<u>2,169,221</u>

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

9 Intangible fixed assets Group

	Goodwill £
Cost/valuation	
At 1 May 2012 and at 30 April 2013	515,398
Amortisation	
At 1 May 2012	257,698
Charge for the year	128,851
At 30 April 2013	386,549
Net book value	
At 30 April 2013	128,849
At 30 April 2012	257,700

Goodwill arose on the acquisition of the Santon Developments Plc group on 30 April 2010

10 Tangible fixed assets

Group

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 May 2012	76,071	5,520	81,591
Additions	8,775	71,442	80,217
At 30 April 2013	84,846	76,962	161,808
Depreciation			
At 1 May 2012	58,923	5,393	64,316
Charge for the year	10,960	19,104	30,064
At 30 April 2013	69,883	24,497	94,380
Net book value			
At 30 April 2013	14,963	52,465	67,428
At 30 April 2012	17,148	127	17,275

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

11 Tangible fixed assets

	Freehold land and buildings £	Investment properties £	Group Total £	Company £
Valuation				
At 1 May 2012	-	1,500,000	1,500,000	-
Additions	613,027	3,065,135	3,678,162	-
Revaluation	114,473	572,365	686,838	-
At 30 April 2013	727,500	5,137,500	5,865,000	-
Net book value				
At 30 April 2013	727,500	5,137,500	5,865,000	-
At 30 April 2012	-	1,500,000	1,500,000	-

The additions and the revaluation in the year wholly relate to Santon House, a property which is held substantially for investment purposes, the group has retained a minor element for its use. In accordance with accounting requirements, the property has been apportioned as investment property and as freehold land and buildings. In the opinion of the directors, the market value of the investment properties as at 30 April 2013 is £5.137 million. The historical cost of the investments at 30 April 2013 was £3.75 million.

The freehold building is subject to depreciation, however the annual depreciation charge is insignificant and has therefore not been recognised in the accounts.

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

12 Fixed asset investments Group

	Listed investments	Unlisted investments	Shares in participating interests	Shares in group undertakings	Total
	£	£	£	£	£
Cost or valuation					
At 1 May 2012	2,366,670	3,095,692	2	4,742	5,467,106
Additions	513,783	-	-	-	513,783
Revaluation	439,896	-	-	-	439,896
Disposals	(88,094)	(23,226)	-	(4,740)	(116,067)
At 30 April 2013	3,232,255	3,072,466	2	2	6,304,725
Provisions for diminution in value					
At 1 May 2012	-	110,618	-	-	110,618
Charge for the year	-	(44,236)	-	-	(44,236)
At 30 April 2013	-	66,382	-	-	66,382
Net book value					
At 30 April 2013	3,232,255	3,006,084	2	2	6,238,343
At 30 April 2012	2,366,670	2,985,074	2	4,742	5,356,488

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Company

	Listed investments	Unlisted investments	Shares in participating interests	Shares in group undertakings	Total
	£	£	£	£	£
Cost or valuation					
At 1 May 2012	2,366,670	1,023,226	2	1,429,950	4,819,848
Additions	513,783	-	-	-	513,783
Revaluation	439,896	-	-	-	439,896
Disposals	(88,094)	(23,226)	-	(4,740)	(116,060)
At 30 April 2013	3,232,255	1,000,000	2	1,425,210	5,657,467
Net book value					
At 30 April 2013	3,232,255	1,000,000	2	1,425,210	5,657,467
At 30 April 2012	2,366,670	1,023,226	2	1,429,950	4,819,848

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

12 Fixed asset investments

(continued)

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

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	Shares held	%
Subsidiary undertakings			
Santon Homes Plc	England and Wales	228,002 Ordinary 50p shares	100
Santon Commercial Properties Plc	England and Wales	204,002 Ordinary 50p shares	100
Santon Property Investments Limited	England and Wales	100 Ordinary £1 shares	100
Santon Close Nominees Limited	England and Wales	2 Ordinary £1 shares	100
Santon Management Limited	England and Wales	2 Ordinary £1 shares	100
Santon Investments Limited	England and Wales	100 Ordinary £1 shares	100
Santon Estates Limited	England and Wales	2 Ordinary £1 shares	100
Santon Property Company Limited	England and Wales	2 Ordinary £1 shares	100
Santon Developments Plc	England and Wales	2,022 999 Ordinary 50p shares	100
Santon Group Developments Limited	England and Wales	2 Ordinary £1 shares	100
Santon Contracting Limited*	England and Wales	2 Ordinary £1 shares	100
Santon Highlands Limited*	England and Wales	100 Ordinary £1 shares	100
Santon UK Limited	England and Wales	2 Ordinary £1 shares	100
Santon Retail Limited*	England and Wales	2 Ordinary £1 shares	100

*Indirectly owned

13 Stocks

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Development properties	498,237,219	501,008,061	-	-

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

14 Debtors

	Group 2013 £	2012 £	Company 2013 £	2012 £
Trade debtors	7,305,487	558,536	-	-
Amounts owed by group undertakings	-	-	5,101,836	1,304,955
Other debtors	1,470,212	2,312,758	917,973	972,657
Prepayments and accrued income	2,721,012	1,747,938	-	-
	<u>11,496,711</u>	<u>4,619,232</u>	<u>6,019,809</u>	<u>2,277,612</u>

Amounts falling due after more than one year and included in the debtors above are

	2013 £	2012 £	2013 £	2012 £
Other debtors	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

15 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
248,004 Ordinary shares of 50p each	<u>124,002</u>	<u>124,002</u>

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

16 Statement of movements on reserves Group

	Merger reserve	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£	£
Balance at 1 May 2012	195,053	1,060,386	499,684	266,555
Profit for the year	-	-	-	834,089
Transfer from revaluation reserve to profit and loss account	-	(16,982)	-	16,982
Revaluation during the year	-	1,126,715	-	-
Balance at 30 April 2013	<u>195,053</u>	<u>2,170,119</u>	<u>499,684</u>	<u>1,117,626</u>

Other reserves

Capital redemption reserve

Balance at 1 May 2012 and at 30 April 2013

92,000

Capital reserve

Balance at 1 May 2012 and at 30 April 2013

407,684

Company

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 May 2012	245,601	92,000	5,704,666
Profit for the year	-	-	1,545,567
Transfer from revaluation reserve to profit and loss account	(16,982)	-	16,982
Revaluation during the year	439,877	-	-
Balance at 30 April 2013	<u>668,496</u>	<u>92,000</u>	<u>7,267,215</u>

Other reserves

Capital redemption reserve

Balance at 1 May 2012 & at 30 April 2013

92,000

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

17	Reconciliation of movements in shareholders' funds	2013	2012
	Group	£	£
	Profit for the financial year	834,089	191,054
	Other recognised gains and losses	1,126,715	(26,477)
	Net addition to shareholders' funds	1,960,804	164,577
	Opening shareholders' funds	2,145,680	1,981,103
	Closing shareholders' funds	4,106,484	2,145,680
	Company	2013	2012
		£	£
	Profit for the financial year	1,545,567	2,169,221
	Other recognised gains and losses	439,877	(226,477)
	Net addition to shareholders' funds	1,985,444	1,942,744
	Opening shareholders' funds	6,166,269	4,223,525
	Closing shareholders' funds	8,151,713	6,166,269

18 Creditors amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	5,223,848	254,103	-	-
Trade creditors	3,088,864	3,720,260	-	-
Amounts owed to group undertakings	-	-	3,958,350	4,435,387
Amounts owed to participating interests	2	2	-	-
Corporation tax	174,116	98,939	-	-
Other taxes and social security costs	6,607,220	324,890	-	-
Other creditors	48,352,806	87,219,862	1,674,774	1,536,391
Accruals and deferred income	11,257,741	15,413,853	2,000	2,000
	74,704,597	107,031,909	5,635,124	5,973,778

The loans and overdrafts are secured by fixed and floating charges over some of the group's assets and by first charges over the group's development properties

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

19 Creditors amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	461,520,392	432,405,736	-	-
Other loans	1,708,075	6,707,745	-	-
	<u>463,228,467</u>	<u>439,113,481</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Wholly repayable within five years	509,331,930	526,514,456	-	-
Included in current liabilities	(46,103,463)	(87,400,975)	-	-
	<u>463,228,467</u>	<u>439,113,481</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than two years but not more than five years	<u>463,228,467</u>	<u>439,113,481</u>	<u>-</u>	<u>-</u>

The loans and overdrafts are secured by fixed and floating charges over some of the group's assets and by first charges over the group's development properties

20 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	<u>151,933</u>	<u>86,833</u>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	<u>151,933</u>	<u>86,833</u>

SANTON CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2013

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Administration	17	16

Employment costs

	2013 £	2012 £
Wages and salaries	1,086,156	969,518
Social security costs	122,832	112,551
Other pension costs	100,001	-
	1,308,989	1,082,069

Other pension costs relate to contributions payable by the group during the year to a defined contribution pension scheme

22 Control

At 30 April 2013 the company was controlled by B S Sandhu

23 Related party transactions

a) The company has taken advantage of the exemption from the disclosure of related party transactions between companies included in the consolidated financial statements of Santon Capital Plc

b) Included in unlisted investments is a loan note of £1,000,000 (2012 £1 000,000) in One! Securities Limited, a company in which B S Sandhu was a director during the year. Income of £90,000 (2012 £85,517) was received on this investment and is included in these financial statements

c) Other creditors include £1,453,208 (2012 £1,247,359) due to P Sandhu, the wife of the director B S Sandhu. Interest of £nil (2012 £43,529) was incurred by the company in respect of this balance

d) Other creditors include £9,749 (2012 £25,619) due to B S Sandhu a director of the company. Interest of £nil (2012 £1,743) was incurred by the company in respect of this balance

e) Santon Capital Plc provided an interest free loan of £35,000 to The Sandhu Charitable Foundation of which B S Sandhu & S Carey are trustees. The loan was repaid before the year end. The group provides offices, staff and administrative support to the Foundation without charge