

COATBRIDGE RETAIL LIMITED

Annual Report and Financial Statements

Year ended 31 March 2011

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**REPORT AND FINANCIAL STATEMENTS 2011
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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J G Kennedy
I G Seddon

SECRETARY

I G Seddon

REGISTERED OFFICE

78 Ashley Road
Hale
Altrincham
WA14 2UF

BANKERS

Allied Irish Bank (GB)
St James House
Charlotte Street
Manchester
M1 4DZ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 March 2011. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITY

The company has not traded in either the current year or prior year. The only profit and loss account movement is the provision against investment, resulting in the loss for the year of £6.8 million (2010 - £nil) shown on page 5. The directors expect the company to be non-trading for the foreseeable future.

GOING CONCERN

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statement.

DIRECTORS

The directors who served during the year and to the date of this report are shown on page 1.

AUDITOR

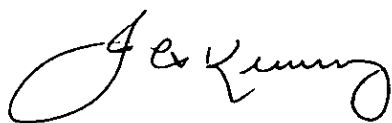
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



J G Kennedy
Secretary

27 Dec 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 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, 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 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 COATBRIDGE RETAIL LIMITED

We have audited the financial statements of Coatbridge Retail Limited for the year ended 31 March 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 12. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 company's affairs as at 31 March 2011 and of its loss 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.

Emphasis of Matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern.

The conditions set out in note 1 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

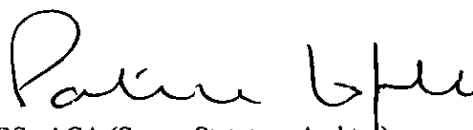
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COATBRIDGE RETAIL LIMITED (continued)

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Patrick Loftus BSc ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester, United Kingdom

27/12/ 2012

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2011

	Note	2011 £	2010 £
Administrative expenses		(6,755,398)	-
OPERATING LOSS		(6,755,398)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(6,755,398)	-
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10,11	(6,755,398)	-

The above results relate to a continuing operation

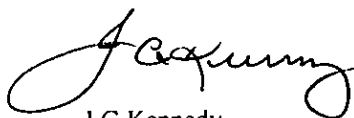
There are no recognised gains and losses for either year other than those shown above and accordingly a separate statement of total recognised gains and losses has not been presented

BALANCE SHEET
As at 31 March 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Investments	5		<u>3,244,602</u>		<u>10,000,000</u>
CURRENT ASSETS					
Debtors	6	8,698,253		8,007,152	
Cash at bank and in hand		<u>1,373,782</u>		<u>1,746,579</u>	
		10,072,035		9,753,731	
CREDITORS: amounts falling due within one year	7	<u>(2,102,580)</u>		<u>(1,689,223)</u>	
NET CURRENT ASSETS			<u>7,969,455</u>		<u>8,064,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,214,057		18,064,508
CREDITORS: Amounts falling due after more than one year	8		<u>(18,294,353)</u>		<u>(18,389,406)</u>
NET LIABILITIES			<u>(7,080,296)</u>		<u>(324,898)</u>
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Profit and loss account	10		<u>(7,080,297)</u>		<u>(324,899)</u>
SHAREHOLDER'S DEFICIT	11		<u>(7,080,296)</u>		<u>(324,898)</u>

The financial statements of Coatbridge Retail Limited, registered number 04813125 were approved by the Board of Directors and authorised for issue on 27/12/2012

Signed on behalf of the Board of Directors



J G Kennedy
Director

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2011****1. ACCOUNTING POLICIES**

The principal accounting policies adopted are described below. They have been applied consistently throughout the year and preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable law and United Kingdom accounting standards.

Going concern

The company has net liabilities as at 31 March 2011 and is reliant on its parent company, PJKI Limited ("PJKI"), to be able to meet any liabilities which may fall due. The directors have obtained confirmation of financial support from its parent company and have assessed its ability to provide this support. However its ability to continue without seeking repayment may be compromised because the financial statements of PJKI contain the following disclosure regarding going concern which is referred to in its audit report:

"The current economic conditions create uncertainty, particularly over the level of demand for the group's rental properties, property stock, the timing of the repayment loans to developers and the ability of certain debtors to settle outstanding balances.

In particular, the directors have been unable to determine whether an unsecured debt of £950,000 due from an individual will be recovered when it falls due for settlement in February 2013 and the achievement of the group's forecasts is dependent on the timely realisation of property assets, which in the current market may not be achieved in the timescales forecast.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern, and that it may be unable to realise its liabilities in the normal course of business.

However, having reviewed the group's forecasts and projections, taking into account these matters and other possible changes in trading performance the directors confirm that they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements."

In addition the directors have considered the fact that the company is a chargor on the expired loan facility within Taff Vale Limited and that this was demanded in full from the company on 15 June 2012, after correspondence with Aviva the demand was withdrawn on 21 September 2012 and the Directors have received confirmation from Aviva that it is not their present intention to make demand under the agreement.

After making such enquiries, the directors have a reasonable expectation that the company has adequate resources available to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

Cash flow statement

The company has taken advantage of the exemption contained in FRS 1 (Revised) – "Cash flow Statements" in not producing a cash flow statement as its cash flows are included in the consolidated cash flow statement of its parent company, PJKI Limited, whose financial statements are publicly available.

Related party transactions

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" in not disclosing details of transactions with other wholly owned group companies in the PJKI group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 March 2011

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Other than the directors there were no employees. The directors received no emoluments during the current and preceding year from this company.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
Loss on ordinary activities before taxation is stated after charging		
Impairment of investment	6,755,398	-

During the year the company's audit fee was £720 (2010 - £720). This amount has been paid by another group company and not recharged.

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2011 £	2010 £
United Kingdom corporation tax at 28% (2010 - 28%)	-	-
Total tax credit	-	-

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the United Kingdom. The differences are explained below.

	2011 £	2010 £
Loss on ordinary activities before taxation	(6,755,398)	-
Tax at 28% (2010 - 28%)	(1,891,511)	-
Disallowable expenses	1,891,511	-
Current tax for the year	-	-

5. INVESTMENTS

	2011 £
At cost and net book value	
At 1 April 2010	10,000,000
Provision against investment	(6,755,398)
At 31 March 2011	3,244,602

On 24 September 2003 the company acquired 10,000,000 of the 10,000,001 ordinary shares of Coatbridge Retail Number 1 Limited, a company incorporated in the United Kingdom whose principal activity is that of property investment.

The company has taken advantage of section 400 of the Companies Act 2006 in not preparing consolidated financial statements as it is itself a subsidiary undertaking of an entity which produces publicly available consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2011

5. INVESTMENTS (continued)

During the year the investment property held in Coatbridge Retail Number 1 Limited was revalued and suffered an impairment reducing the value of the net assets in the company and therefore impairing the investment held in this company

6. DEBTORS

	2011 £	2010 £
Amounts owed by group undertakings	8,698,253	8,007,152

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Amounts owed to group undertakings	1,200,000	1,600,000
Bank loan (note 9)	95,053	89,223
Amounts due to group undertakings	807,527	-
	<u>2,102,580</u>	<u>1,689,223</u>

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

	2011 £	2010 £
Bank loan	18,294,353	18,389,406

The loan is secured by way of a legal mortgage over the properties held by Coatbridge Retail No 1 Limited and Mansfield Chambers Limited and bears interest at 6.38%

The maturity of bank loan is as follows

	£	£
Due within one year	95,053	89,223
Due between one and two years	99,255	95,053
Due between two and five years	341,719	323,862
Due after five years	17,853,379	17,970,491
	<u>18,389,406</u>	<u>18,478,629</u>

9. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Called up, allotted and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 March 2011

10. RESERVES

	Profit and loss account £
At 1 April 2010	(324,899)
Loss for the year	(6,755,398)
	<u>(7,080,297)</u>
At 31 March 2011	<u>(7,080,297)</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S DEFICIT

	2011 £	2010 £
Loss for the financial year	(6,755,398)	-
Movement in shareholder's deficit	(6,755,398)	-
Opening shareholder's deficit	(324,898)	(324,898)
Closing shareholder's deficit	<u>(7,080,296)</u>	<u>(324,898)</u>

12. ULTIMATE PARENT COMPANY

PJKI Limited is the immediate parent company and P J Kennedy Investments Limited is the ultimate holding company. PJKI Limited is incorporated in the United Kingdom. P J Kennedy Investments Limited is incorporated in the Isle of Man.

The smallest and largest group in which the results of this company are included is PJKI Limited. A copy of its financial statements is available from Companies House, Cardiff.

The issued share capital of P J Kennedy Investments Limited is held in trusts for members of the family of Mr P J Kennedy and Mr J G Kennedy, who are considered to be the ultimate controlling parties.