

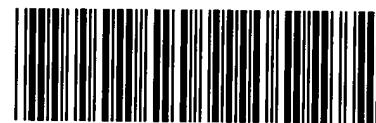
Crossco Limited

**Directors' report and financial
statements**

Registered number 05073141

Year ended 31 March 2015

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Officers and professional advisors

The board of directors

JC Barnsley
RW Jefferson
TMS Wooldridge

Company secretary

TMS Wooldridge

Registered office

First Floor Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

Auditor

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' report

The directors have pleasure in presenting their report and financial statements of the company for the year ended 31 March 2015.

Principal activities and business review

The principal activity of the company is to hold an interest in Limited Partnerships dealing with the ownership and letting of commercial properties.

Results and dividends

The results for the year are set out on page 6. The directors do not recommend payment of a dividend (2014: £nil).

Directors

The directors who served during the year were as follows:

JC Barnsley
RW Jefferson
TMS Wooldridge

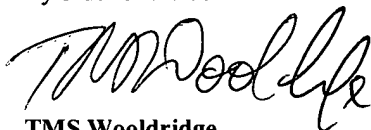
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



TMS Wooldridge
Director

First Floor Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

5 August 2015

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 year. 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Crossco Limited

We have audited the financial statements of Crossco Limited for the year ended 31 March 2015 as set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Crossco Limited *(continued)*


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW



2015

Profit and loss account
for the year ended 31 March 2015

	Note	2015 £	17 month period ended 31 March 2014 £
Administration expenses		(74,835)	(136,969)
Impairment of Limited Partnership Investment	6	-	(6,000,000)
		<hr/>	<hr/>
Operating loss	2	(74,835)	(6,136,969)
Net loss from investment in limited partnerships	6	(1,413,319)	(1,384,066)
Interest payable and similar charges	3	-	(11,230)
Interest receivable and similar income	4	123,750	222,411
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(1,364,404)	(7,309,854)
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss for the financial year/period		(1,364,404)	(7,309,854)
		<hr/>	<hr/>

The loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Balance sheet
as at 31 March 2015

	<i>Notes</i>	2015 £	2014 £
Fixed assets			
Investments	6	15,296,531	15,302,475
Current assets			
Debtors	7	14,794,007	21,209,091
Cash at bank and in hand		1,178,560	-
		15,972,567	21,209,091
Creditors: amounts falling due within one year	8	(9,883,792)	(12,741,296)
Net current assets		6,088,775	8,467,795
Total assets less current assets		21,385,306	23,770,270
Creditors: amounts falling due after more than one year	9	(20,059,283)	(21,079,843)
Net assets		1,326,023	2,690,427
Capital and reserves			
Called up share capital	10	71,710	71,710
Share premium	11	10,081,344	10,081,344
Profit and loss account	11	(8,827,031)	(7,462,627)
Shareholders' funds	12	1,326,023	2,690,427

These financial statements were approved by the board of directors on 5 August 2015 and were signed on its behalf by:



RW Jefferson
Director

Registered number: 05073141

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

Basis of preparation

The accounts have been prepared on a going concern basis. Having carried out a detailed review of the company's resources and the challenges presented by the current economic climate, the directors are confident that the company has sufficient cash flows to meet its liabilities as they fall due for a least one year from the date of approval of the accounts.

Cash flow statement

The company qualifies as a small company as defined by the Companies Act 2006 and as such, under the provision of Financial Reporting Standard No 1 (Revised), "Cash flow statements", is exempt from the requirements to publish a cash flow statement.

Investments

Investments are included in the financial statements at cost. Provision for impairment will be made where necessary.

Investment income/expense

The company is a limited partner in the partnerships which are held as investments. The limited partners are entitled to a share of the profits/losses, in proportion to their capital contributions, once the profits/losses have been attributable to the general partner and preferred partner, who is entitled to the lower of the attributable profit/loss or 8% of its capital contribution. These amounts are recognised in the year to which they relate. Where a partnership makes a loss which the company is required to reimburse a corresponding liability is recorded.

Impairment

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset.

Interest

Interest payable and receivable is recognised in the profit and loss account as it falls due.

2 Operating loss

Operating loss is stated after charging

	2015 £	17 month period ended 31 March 2014 £
Auditor's remuneration	-	-
	<u> </u>	<u> </u>

The auditor's remuneration is borne by a related company.

Remuneration of directors, staff numbers, and costs

No remuneration was paid to the directors, in respect of their services to the company, during the year (2014: £nil). The company had no other employees during the current year and preceding financial year.

Notes (continued)

3 Interest payable and similar charges

	2015 £	17 month period ended 31 March 2014 £
Bank interest	-	59
Other interest	-	11,171
	<u>-</u>	<u>11,230</u>

4 Interest receivable and similar income

	2015 £	17 month period ended 31 March 2014 £
On loans to related parties (note 13)	123,750	222,411
	<u>123,750</u>	<u>222,411</u>

5 Taxation

	2015 £	17 month period ended 31 March 2014 £
Corporation tax		
Current tax	-	-
	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The tax assessed for the year is higher (2014: higher) than the standard rate of corporation tax in the UK, 21% (2014: 23.29%). The differences are explained below:

	2015 £	17 month period ended 31 March 2014 £
Loss on ordinary activities before tax	(1,364,404)	(7,309,854)
	<u>(1,364,404)</u>	<u>(7,309,854)</u>
Loss on ordinary activities multiplied by the standard rate of tax in the UK 21% (2014: 23.29%)	(286,525)	(1,702,465)
Effects of:		
Expenses not deductible for tax purposes	323,763	322,618
Other timing differences	-	(569)
Partnership losses not deductible for tax purposes	-	1,397,365
Utilisation of losses brought forward	(37,238)	(16,949)
	<u>-</u>	<u>-</u>
Current tax charge for the year/period	<u>-</u>	<u>-</u>

Notes (continued)

5 Taxation (continued)

A deferred tax asset has not been recognised in these financial statements because management cannot be certain of its future recoverability. The unrecognised deferred tax asset at the year end comprises:

	2015 £	2014 £
Trade losses	87,000	165,896
Capital losses	1,742,000	424,083
	<u>1,829,000</u>	<u>589,979</u>

The UK corporation tax rate reduced to 20% (effective 1 April 2015). This will reduce the company's future current tax charge accordingly. The deferred tax balance at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

In the budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020, which will further reduce the company's future tax charges.

6 Investments

	Investments £
At 31 March 2014	15,302,475
Impairment of limited partnership investment	(5,944)
	<u>15,296,531</u>
At 31 March 2015	

The company holds a 5.1% interest in Stampflat Limited, Reger Holdings Limited and Branden Property Limited. These companies are incorporated in the United Kingdom and carry on commercial property investment business in Germany.

The company owns a 39% investment in Candama Investors Limited Partnership and a 36% investment in Derandd Investment Partners Limited Partnership and MMO Investors Limited Partnership. The principal activity of these Partnerships is to carry on a commercial property investment business in the United Kingdom.

The company's share of the results from its limited partnership investments was as follows:

	2015 £	2014 £
Candama Investors Limited Partnership	(1,304,986)	(620,087)
Derandd Investment Partners Limited Partnership	(102,389)	202,318
MMO Investors Limited Partnership	(5,944)	(966,297)
	<u>(1,413,319)</u>	<u>(1,384,066)</u>
Net loss from Limited partnership investments		

The company has recognised this net share of loss from limited partnership investments in the profit and loss account with a corresponding entry in debtors or creditors.

The company has conducted an impairment review of its limited partnership investments and has made an appropriate adjustment.

Notes (continued)

7 Debtors

	2015 £	2014 £
Amounts owed by limited partnerships	7,308,456	6,089,147
Amounts owed by other related parties	6,684,032	14,318,425
Other debtors	801,519	801,519
	<u>14,794,007</u>	<u>21,209,091</u>

Certain loans made to other related parties are interest bearing.

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank overdraft	-	8,527
Trade creditors	6,383	7,818
Amounts owed to limited partnerships	4,386,534	2,979,159
Amounts owed to other related parties	5,487,146	9,740,312
Other creditors	3,729	5,480
	<u>9,883,792</u>	<u>12,741,296</u>

9 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to related parties	20,059,283	21,079,843

Amounts owed to related parties are unsecured and interest free and have no formal repayment terms. The related parties have confirmed that they will not see repayment until at least 1 April 2016, and hence these amounts are recognised as falling due after more than one year.

10 Share capital

	2015 £	2014 £
<i>Allotted called up and fully paid</i>		
180 ordinary shares of £1 each	180	180
7,152,954 deferred ordinary shares of £0.01	71,530	71,530
	<u>71,710</u>	<u>71,710</u>

The deferred ordinary shares carry no voting rights and have no rights to dividends or capital payment in the event of a winding up of the company.

Notes (continued)

11 Reserves

	Share premium £	Profit and loss account £
At 31 March 2014	10,081,344	(7,462,627)
Loss for the year	-	(1,364,404)
	<u>10,081,344</u>	<u>(8,827,031)</u>
At 31 March 2015	<u>10,081,344</u>	<u>(8,827,031)</u>

12 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	2,690,427	10,000,281
Loss for the financial year/period	(1,364,404)	(7,309,854)
	<u>1,326,023</u>	<u>2,690,427</u>
Closing shareholders' funds	<u>1,326,023</u>	<u>2,690,427</u>

13 Related party transactions

During the year the company undertook the following transactions with its related parties.

During the year the company undertook the following transactions with the following partnership of which JC Barnsley is also a director of its General Partner.

	Transactions in		Amounts due from		Amounts due to	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
MNFI Limited Partnership						
Loans received	-	-	-	-	-	3,256,030
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,256,030</u>

During the year the company undertook the following transactions with the following trusts for which JC Barnsley acts as a trustee.

	Transactions in		Amounts due from		Amounts due to	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Michael Noble Will Trusts						
Loans received	-	-	-	-	20,059,283	21,079,843
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,059,283</u>	<u>21,079,843</u>

Notes (continued)

13 Related party transactions (continued)

During the year the company undertook the following transactions with the following companies of which JC Barnsley is a director.

	Transactions in		Amounts due from		Amounts due to	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Birkswell Holdings Limited						
Loans made	-	-	2,750,000	2,750,000	-	-
Interest receivable on loans	123,750	211,411	1,306,294	1,182,544	-	-

During the year the company undertook the following transactions with the following companies whose directors include JC Barnsley and TMS Wooldridge.

	Transactions in		Amounts due from		Amounts due to	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
API Limited						
Management fees payable	1,250	51,401	-	-	1,250	57,902
Reger Holding Limited						
Payments received on account	-	-	781,667	781,667	-	-
Stampflat Limited						
Payments on account	-	-	1,832,139	9,162,197	-	-
Wellbark Property Limited						
Payments received on account	-	-	-	-	-	5,227,738

During the year the company undertook the following transactions with the following companies whose directors include TMS Wooldridge.

	Transactions in		Amounts due from		Amounts due to	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Wellbark GP Limited						
Payments received on account	-	-	-	-	-	7,800
Masterfone Limited						
Payments received on account	-	-	-	-	1,155,842	1,155,842
Jolan Piccadilly Limited						
Payments on account	-	-	-	442,017	4,330,054	-
Coney (York) Limited						
Payments on account	-	-	13,932	-	-	-

Notes (continued)

13 Related party transactions (continued)

During the year the company undertook the following transactions with the following Limited partnerships in which the company has an interest.

	Transactions in		Amounts due from		Amounts due to	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Candama Investors LP						
Attributable share of results	(1,304,986)	(620,087)	-	-	2,302,627	997,641
Loans made	-	-	848,240	-	-	-
Derandd Investment Partnership LP						
Attributable share of results	(102,389)	202,318	-	-	2,083,907	1,981,518
Loans made	-	-	6,460,216	6,089,147	-	-
MMO Investors LP						
Attributable share of results	(5,944)	(966,297)	-	-	-	-
Loans made	-	-	-	-	-	35,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Immediate and ultimate controlling party

The directors do not consider there to be an ultimate controlling party.