

Jolan Piccadilly Limited

**Directors' report and financial
statements**

Registered number 06855403

Year ended 31 October 2011

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Officers and professional advisors

The board of directors

CJ Dalzell
RM Wright
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 October 2011

Principal activities

The principally activity of the company is to carry on a property investment business

Results and dividends

The results for the year are set out on page 6 The directors do not recommend payment of a dividend (2010 £nil)

Directors

The directors who served during the year were as follows

L Norman (resigned 29 March 2012)
CJ Dalzell
RM Wright
TMS Wooldridge

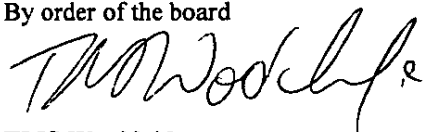
Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditor

Baker Tilly LLP resigned as auditors during the year and KPMG were appointed to fill the vacancy arising 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

25 April 2012

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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 Jolan Piccadilly Limited

We have audited the financial statements of Jolan Piccadilly Limited for the year ended 31 October 2011 as set out on pages 6 to 12. 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 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 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 (APB's) Ethical Standards for Auditor.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 October 2011 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 Jolan Piccadilly 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



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

25 April 2012

Profit and loss account
for the year ended 31 October 2011

	<i>Note</i>	2011 £	2010 £
Turnover		312,377	313,518
Administration expenses		(1,047,806)	(349,563)
		<hr/>	<hr/>
Operating loss		(735,429)	(36,045)
Interest payable and similar charges	3	-	(32)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(735,429)	(36,077)
Taxation	4	(11,046)	302
		<hr/>	<hr/>
Loss for the financial year		(746,475)	(35,775)
		<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 October 2011

	<i>Notes</i>	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	5		5,443,221		5,747,429
Current assets					
Debtors	6	484,288		49,204	
Cash		9,084		5,064	
		<u>493,372</u>		<u>54,268</u>	
Creditors: amounts falling due within one year	7	<u>(1,690,424)</u>		<u>(820,099)</u>	
Net current liabilities			(1,197,052)		(765,831)
Total assets less current liabilities			4,246,169		4,981,598
Provisions for liabilities and charges	8		(15,693)		(4,647)
Net assets			4,230,476		4,976,951
Capital and reserves					
Called up share capital	9		1		1
Capital reserve	10		5,000,000		5,000,000
Profit and loss account	10		(769,525)		(23,050)
Shareholders' funds	11		4,230,476		4,976,951

These financial statements were approved by the board of directors on 25 April 2012 and were signed on its behalf by


CJ Dalzell
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The accounts have been prepared on a going concern basis. The company has net current liabilities which includes amounts received from related party undertakings for investments in tangible fixed assets. The company has received written confirmation that these related party undertakings will not demand immediate repayment of these loans which will enable the company to meet its liabilities as they fall due for the next twelve months from the date of these financial statements. Based on this confirmation, and a detailed review of the company's resources and the challenges presented by the economic climate, the directors are confident that the going concern assumption is appropriate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transaction or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

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

Post retirement benefits

The company does not operate its own pension scheme given the number of staff. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting by the company to the personal pension schemes of individual employees.

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.

Distribution receivable

Distribution of profits from limited partnership investment are accounted for as they fall due.

Turnover

Turnover represents the right to consideration in respect of rent receivable and services provided to tenants. Rent increases arising from rent reviews due during the period are taken into account only to the extent that such rent reviews are agreed with tenants before the end of the period. All turnover derives from activities in the United Kingdom.

Investment property

Investment properties will initially be measured at cost including any incidental costs directly attributable to specific properties. Therefore, any legal or other acquisition costs incurred in acquisition or due diligence will be capitalised. Any development expenditure incurred on investment properties will be capitalised within investment properties if the property was an investment property (as defined by SSAP 19 'Accounting for Investment Properties') before and after the development.

In accordance with SSAP 19 'Accounting for Investment Properties', no depreciation is provided in respect of freehold investment properties. Completed investment properties will be stated at their market value in their existing state. Surplus or deficits arising on revaluation will be reflected in an investment revaluation reserve. Revaluation deficits that are deemed to be permanent are charged to the profit and loss account.

Valuation and finance fees incurred for specific properties will be capitalised for acquired properties. These valuation reports will be instigated by the bank to ascertain the amount of funds available secured on the property. Any capitalised costs will be released to the profit and loss over the life of the finance secured on the property.

Notes (continued)

2 Operating loss

<i>Operating loss is stated after charging/(crediting)</i>	2011 £	2010 £
Auditor's remuneration	1,500	1,500
Costs incurred relating to the vacant possession proceedings (see note 5)	698,025	-

3 Interest receivable and similar income

	2011 £	2010 £
Bank interest	-	32

4 Taxation

	2011 £	2010 £
<i>Corporation tax</i>		
Current tax	-	-
Total current tax	-	-
<i>Deferred taxation (note 8)</i>		
Origination and reversal of timing differences	11,390	(7,833)
Prior year adjustments	-	7,531
Effect of change in tax rate	(344)	-
Total deferred tax	11,046	(302)
Tax on loss on ordinary activities	11,046	(302)

The tax assessed for the period is lower (2010 lower) than the standard rate of corporation tax in the UK of 26.83% (2010 28%). The difference is explained below

	2011 £	2010 £
Loss on ordinary activities before tax	(735,429)	(36,077)
Loss on ordinary activities multiplied by the standard rate of tax in the UK 26.83% (2010 28%)	(197,316)	(10,102)
<i>Effects of</i>		
Capital allowances in excess of depreciation	(12,222)	-
Expenses not deductible	22	2,440
Tax losses not utilised	-	7,662
Group relief surrendered	209,516	-
Current tax for the period	-	-

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK Corporation tax to 26% with effect from 1 April and a further reduction to 25% with effect from 1 April 2012. The 26.83% used above therefore represents a blended rate. These changes became substantively enacted on 29 March 2011 and 5 July 2011 respectively and therefore the effect of these rate reductions creates a reduction in the deferred tax asset / liability which has been included in the figures above.

The Chancellor proposed changes to further reduce the main rate of corporation tax by 1% per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above.

Notes (continued)

5 Fixed assets

	Investment property held for development £
1 November 2010	5,747,429
Development costs capitalised in the year	101,506
Development costs recovered	(405,714)
	<hr/>
31 October 2011	5,443,221
	<hr/>

The investment property was valued by the directors of the company as at 31 October 2011, a number of which are members of the Royal Institution of Chartered Surveyors

The company has obtained vacant possession of its property under the terms of the lease agreement with its former tenant. The company is now in the early stages of a development programme to convert its property for hotel, restaurant and retail mixed use.

The company incurred costs in obtaining the vacant possession which were initially capitalised in 2010 as the vacant possession proceedings progressed. The company has successfully managed to recover some of these costs during the year. A further £290,000 of costs have been recovered since the year end and is therefore included in prepayments (note 6).

6 Debtors

	2011 £	2010 £
Amounts due from related parties	178,755	-
Other tax and social security	15,533	49,204
Prepayments and accrued income	290,000	-
	<hr/>	<hr/>
	484,288	49,204
	<hr/>	<hr/>

7 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Trade creditors	43,885	189,726
Amounts owed to related parties	1,462,392	587,157
Accruals and deferred income	184,147	43,216
	<hr/>	<hr/>
	1,690,424	820,099
	<hr/>	<hr/>

Notes (continued)

8 Provisions for liabilities and charges

Deferred taxation	2011 £	2010 £
Liability at 1 November 2010	4,647	4,949
Deferred tax charge/(credit) (note 4)	11,046	(302)
At 31 October 2011	15,693	4,647
Provision for deferred taxation has been made as follows		
Excess capital allowances over depreciation	15,693	12,034
Tax losses	-	(7,387)
At 31 October 2011	15,693	4,647

9 Share capital

	2011 £	2010 £
<i>Allotted called up and fully paid</i>		
1 ordinary shares of £1 each	1	1

10 Reserves

	Capital reserve £	Profit and loss account £
At 1 November 2010	5,000,000	(23,050)
Loss for the period	-	(746,475)
At 31 October 2011	5,000,000	(769,525)

The capital reserve was created on contribution of the property to the company for consideration in lieu of debt repayment

Notes (continued)

11 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	4,976,951	5,012,726
Loss for the year	(746,475)	(35,775)
Closing shareholders' funds	4,230,476	4,976,951

12 Capital commitments

The company had no capital commitments at 31 October 2011 (2010 £nil)

13 Related party transactions

During the year ended 31 October 2011, the company undertook the following transactions with the following company of which J L Barnsley and L Norman are also directors

	Transactions in		Amounts due from		Amounts due to	
	2011 £	2010 £	2011 £	2010 £	2011 £	2010 £
API Limited						
Management fees payable	264,000	223,392	-	-	49,345	22,141

During the year ended 31 October 2011 the company undertook the following transactions with the following company, of which L Norman is also a director

	Transactions in		Amounts due from		Amounts due to	
	2011 £	2010 £	2011 £	2010 £	2011 £	2010 £
Crossco Limited						
Payments received on account	-	-	-	-	1,413,047	565,016

During the year ended 31 October 2011, the company undertook the following transactions with the following partnership whose general partner's directors include CJ Dalzell, RM Wright and TMS Wooldridge, directors of the General Partner

	Transactions in		Amounts due from		Amounts due to	
	2011 £	2010 £	2011 £	2010 £	2011 £	2010 £
Candama Investors LP						
Payments made on account	-	-	107,663	-	-	-

	Transactions in		Amounts due from		Amounts due to	
	2011 £	2010 £	2011 £	2010 £	2011 £	2010 £
Derandd Investment Partners LP						
Payments made on account	-	-	71,092	-	-	-

All related party balances are unsecured and will be settled by cash generated from operations

14 Immediate and ultimate controlling party

The directors consider Jolan Limited, a company incorporated in Jersey, to be the immediate controlling party. The ultimate controlling parties are considered to be the Executors of the Michael Noble Will Trusts.