

COMPCO HOLDINGS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



COMPCO HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

T S Cole
S R Collins
Sir Christopher Howes (resigned 30 June 2016)
M N Steinberg

COMPANY SECRETARY

R J De Barr

REGISTERED NUMBER

SC037323

REGISTERED OFFICE

Level 4, Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

ACCOUNTANTS

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

COMPCO HOLDINGS LIMITED

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COMPCO HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the unaudited financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

During the year the company continued its principal activity of holding and managing investments in subsidiary companies involved in property investment and trading.

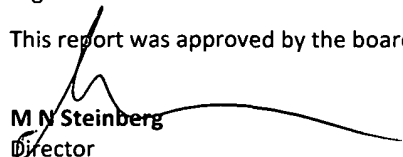
DIRECTORS

The directors who served during the year were:

T S Cole
S R Collins
Sir Christopher Howes (resigned 30 June 2016)
M N Steinberg

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on *25 January 2017* and signed on its behalf.


M N Steinberg
Director

Level 4, Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

COMPCO HOLDINGS LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF COMPCO HOLDINGS LIMITED
FOR THE YEAR ENDED 31 MARCH 2016**

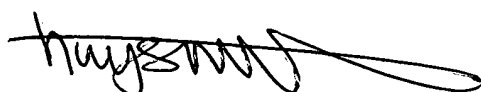
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Compco Holdings Limited for the year ended 31 March 2016 which comprise the Profit and loss account, the Balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of directors of Compco Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 21 October 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Compco Holdings Limited and state those matters that we have agreed to state to the Board of directors of Compco Holdings Limited, as a body, in this report in accordance with ICAEW Technical release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Compco Holdings Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Compco Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Compco Holdings Limited. You consider that Compco Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Compco Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



haysmacintyre

26 Red Lion Square
London
WC1R 4AG

Date:

25/1/17

COMPCO HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £000	2015 £000
Administrative expenses		(322)	(1,115)
Exceptional administrative expenses		(6,899)	(17,246)
Total administrative expenses		(7,221)	(18,361)
OPERATING LOSS	2	(7,221)	(18,361)
Interest payable and similar charges		(506)	(493)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,727)	(18,854)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR	9	(7,727)	(18,854)

The notes on pages 5 to 11 form part of these financial statements.

COMPCO HOLDINGS LIMITED
REGISTERED NUMBER: SC037323

BALANCE SHEET
AS AT 31 MARCH 2016

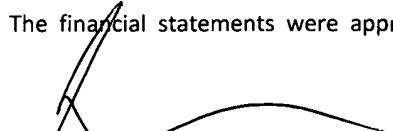
	Note	2016 £000	2015 £000
FIXED ASSETS			
Tangible assets	4	1	1
CURRENT ASSETS			
Debtors	6	26	284
Cash at bank		42	13
		68	297
CREDITORS: amounts falling due within one year	7	(353,849)	(346,351)
NET CURRENT LIABILITIES		(353,781)	(346,054)
TOTAL ASSETS LESS CURRENT LIABILITIES		(353,780)	(346,053)
CAPITAL AND RESERVES			
Called up share capital	8	7,475	7,475
Share premium account	9	38,719	38,719
Profit and loss account	9	(399,974)	(392,247)
SHAREHOLDERS' DEFICIT		(353,780)	(346,053)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2016 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


M N Stenberg
 Director


T S Cole
 Director

25 January 2017

The notes on pages 5 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

The Directors have prepared the financial statements on a going concern basis as they are satisfied that the company and the City & General Securities ("C&GS") group of which it is part have sufficient funds to enable the directors to carry out their aim of an orderly run-down of the group's affairs during the next 12 months from the date of approval of these financial statements.

The group's principal lending bank has extended the group's existing facilities in recent years and made available a revolving working capital facility of £5.96m. The bank has extended the facility through the period and, on the basis of discussions with the bank, the directors are hopeful that another extension will be forthcoming until further property sales enable the facility to be repaid in its entirety.

Since the year end the group's outstanding bank loan has already been reduced from £8,356,000 at 31 March 2016 to £6,156,000 at the date of approval of these financial statements. Over the course of the next 12 months, further sales of properties held by the Frenson joint venture, in which the group has a 75% interest, are expected to provide the group with sufficient proceeds to repay both the bank facility and any other unrelated creditors. The directors of C&GS intend that any surplus funds should be used to make a partial repayment of the group's loans from former fellow subsidiary New Derwent House Management Company Limited (in liquidation). This would enable the liquidators to pay a dividend to that company's unsecured creditor (HM Revenue & Customs).

In the absence of further sales by the Frenson joint venture the directors may not be able to realise their aim of an orderly run down of the group's affairs, in which case the group would cease to be a going concern and would not be able to support this company.

The financial statements do not include the necessary adjustments should the going concern basis not be appropriate.

1.3 Tangible fixed assets and depreciation

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

Fixtures & fittings	- 25% straight line
---------------------	---------------------

1.4 Investments

Investments in subsidiaries are stated on the basis of the net asset value to the parent company.

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.5 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.6 Interest charges

Interest is charged to the profit and loss account as incurred.

2. OPERATING LOSS

The operating loss is stated after charging:

	2016 £000	2015 £000
Pension costs	10	33
Provision made against, balances due from fellow subsidiaries	6,899	17,246
	<u>6,909</u>	<u>17,279</u>

During the year, no director received any emoluments (2015 - £NIL).

3. EXCEPTIONAL ITEMS

	2016 £000	2015 £000
Provision against intercompany balances	6,899	17,246
	<u>6,899</u>	<u>17,246</u>

During the year certain intercompany balances due from fellow wholly owned subsidiaries of City & General Securities Limited, previously provided against by the company were recovered. Accordingly the provision was partially written back.

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4. TANGIBLE FIXED ASSETS

	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost			
At 1 April 2015 and 31 March 2016	107	1	108
Depreciation			
At 1 April 2015 and 31 March 2016	107	-	107
Net book value			
At 31 March 2016	-	1	1
At 31 March 2015	-	1	1

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2015 and 31 March 2016	145,390
Impairment	
At 1 April 2015 and 31 March 2016	145,390
Net book value	
At 31 March 2016	-
At 31 March 2015	-

COMPCO HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****5. FIXED ASSET INVESTMENTS (continued)****Subsidiary undertakings**

The company has investments in the following subsidiary undertakings, all of which are registered in England and Wales. To avoid a statement of excessive length, details of insignificant investments have been omitted.

Name	Class of shares	Holding
Cadogan Properties Limited	Ordinary 50p shares	100 %
Infobuild Limited	Ordinary £1 shares	100 %
Compco Camden Limited	Ordinary £1 shares	100 %
Haigside Limited	Ordinary 10p shares	100 %
Seymour Development Limited	Ordinary £1 shares	100 %
Terrington Properties Limited	Ordinary £1 shares	100 %
Finitum Three Limited	Ordinary £1 shares	100 %
Frenson	Unincorporated	75 %
Finitum Limited	Ordinary £1 shares	100 %

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Cadogan Properties Limited	(2,473)	49
Infobuild Limited	(666)	(3,084)
Compco Camden Limited	(2,813)	-
Haigside Limited	(98,546)	(3,177)
Seymour Development Limited	(112,003)	(2,211)
Terrington Properties Limited	(9)	-
Finitum Three Limited	12	-
Frenson	(5,836)	1,575
Finitum Limited	2,362	-
	-	-
	<u> </u>	<u> </u>

6. DEBTORS

	2016 £000	2015 £000
Amounts due from group undertakings	9	234
Amounts owed by related undertakings	16	26
Other debtors	1	24
	<u> </u>	<u> </u>
	26	284
	<u> </u>	<u> </u>

COMPCO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. CREDITORS:

Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	-	13
Amounts due to group undertakings	332,934	325,413
Amounts due to related parties	20,902	20,903
Other taxation and social security	6	20
Other creditors	7	2
	<u>353,849</u>	<u>346,351</u>

Amounts due to group undertakings comprises loan notes of £25,044,001 on which interest is charged at a rate of 2% (base + 1.5%). The total interest charged in the year was £506,472 (2015: £493,466). The loan notes were repayable in full on 15 December 2015 but have yet to be repaid.

8. SHARE CAPITAL

	2016 £000	2015 £000
Allotted, called up and fully paid		
37,376,123 (2015 - 37,376,123) Ordinary Shares shares of £0.20 each	<u>7,475</u>	<u>7,475</u>

9. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 April 2015	38,719	(392,247)
Loss for the year		(7,727)
At 31 March 2016	<u>38,719</u>	<u>(399,974)</u>

10. CONTINGENT LIABILITIES

There are cross guarantees in respect of bank borrowings of the parent undertaking, City & General Securities Limited. The borrowings are secured by a legal mortgage and fixed and floating charges over the property and assets of Compco Holdings Limited. At 31 March 2016 these borrowings amounted to £8,356,252 (2015: £15,285,905).

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

12. OPERATING LEASE COMMITMENTS

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2016	2015
	£000	£000
Expiry date:		
Between 2 and 5 years	-	40,000
	<hr/> <hr/>	<hr/> <hr/>

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under the Financial Reporting Standard for Smaller Entities and has not disclosed any intra group related party transactions with fellow wholly owned subsidiaries of City & General Securities Limited.

The following balances are due (to)/from related undertakings which are related by virtue of common management:

	2016 £000	2015 £000
Marcol International Asset Management Limited	16	26
Chelsea Harbour Estates Limited	(20,902)	(20,903)
	<u> </u>	<u> </u>

Management fees of £35,417 (2015: £325,000) were paid to Marcol International Management Limited.

I.T. Consultancy fees and support charges totalling £35,328 (2015: £37,034) were paid to Allwite Technologies Ltd, a company with common management.

14. ULTIMATE CONTROLLING PARTIES

The company's parent undertaking is City & General Securities Limited which is registered in England and Wales.

The company is ultimately controlled by the Directors.