

Company Registration No. SC274858 (Scotland)

PRINCES STREET INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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PRINCES STREET INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	V Kosoric A Rowell	(Appointed 27 September 2013)
Secretary	L Jefferson Hibberd	
Company number	SC274858	
Registered office	13 Queens Street Aberdeen AB15 4YL	
Auditors	Wilson Wright LLP Thavies Inn House 3-4 Holborn Circus London EC1N 2HA	

PRINCES STREET INVESTMENTS LIMITED

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PRINCES STREET INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The directors present their annual report and financial statements for the year ended 31 August 2014.

Principal activities and review of the business

The company's principal activity is property investment for rental return.

The company now owns a portfolio of 14 petrol stations after 8 were disposed of and 3 were bought during the year. They are located throughout England.

The service stations, all of which trade well, are principally located in prominent areas beside busy arterial roads.

The portfolio is let to Malthurst Limited, a prominent UK petrol station operator and BP Oil UK Limited. The most southerly of these properties is located in Devon in the South West and the furthest north in Northumberland. The average size is approximately 0.5 acres in size.

The 14 petrol stations provide stable income generating an annual current yield of 6.10%.

The sites were all tenanted as at 31 August 2014.

Principal risks and uncertainties

The company is subject to commercial property risk. Property is essentially a defensive asset class, which provides excellent diversification benefits.

Although over the long-term property is considered a low risk asset, investors must be aware that significant short and medium-term risk factors are inherent in the asset class.

Investments in properties are relatively illiquid and usually more difficult to realise than listed equities or bonds. Investment in property cannot therefore necessarily be converted to cash on demand.

Property is inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date. In order to eliminate interest rate risk the company has entered in to a swap agreement in respect of the payment of interest on its interest bearing loan.

Key performance indicators

	2014	2013	2012
	£	£	£
Rental receivable	1,389,651	1,467,911	1,763,584
Rental receivable per trading day	3,807	4,021	4,818

The above key performance indicators are based on trading periods of 365, 365 and 366 days respectively.

Results and dividends

The results for the year are set out on page 5.

No dividend has been proposed.

Future developments

The company does not have any major plans for future development.

PRINCES STREET INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

Directors

The following directors have held office since 1 September 2013:

V Kosoric	(Appointed 27 September 2013)
A Rowell	
Mr S Carlin	(Resigned 27 September 2013)

Creditor payment policy

The company's policy in relation to the payment of trade creditors, is to agree its terms of payment with each supplier on an individual basis.

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 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, 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 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.

Auditors

The auditors, Wilson Wright LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company'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 company's auditors are aware of that information.

On behalf of the board


A Rowell

Director

15/05/15

PRINCES STREET INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PRINCES STREET INVESTMENTS LIMITED

We have audited the financial statements of Princes Street Investments Limited for the year ended 31 August 2014 set out on pages 5 to 14. 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 pages 1 - 2, 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 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.

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.

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.

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 August 2014 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.

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.

PRINCES STREET INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PRINCES STREET INVESTMENTS LIMITED

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.

Warren Baker FCA (Senior Statutory Auditor)
for and on behalf of Wilson Wright LLP
Chartered Accountants
Statutory Auditor
Thavies Inn House
3-4 Holborn Circus
London
EC1N 2HA

19 May 2015

PRINCES STREET INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Turnover		1,389,651	1,467,911
Administrative expenses		(84,779)	(152,817)
Operating profit	2	<u>1,304,872</u>	<u>1,315,094</u>
Loss on disposal		(687,059)	(185,199)
Profit on ordinary activities before interest		<u>617,813</u>	<u>1,129,895</u>
Interest payable	3	(721,981)	(1,451,570)
Loss on ordinary activities before taxation		<u>(104,168)</u>	<u>(321,675)</u>
Tax on loss on ordinary activities		-	-
Loss for the financial year	9	<u><u>(104,168)</u></u>	<u><u>(321,675)</u></u>

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

PRINCES STREET INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Loss for the financial year		(104,168)	(321,675)
Unrealised surplus/(deficit) on revaluation of properties		971,693	(801,333)
Total recognised gains and losses relating to the year		<u>867,525</u>	<u>(1,123,008)</u>

PRINCES STREET INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Investment properties	4	22,782,000		20,970,000	
Current assets					
Debtors	6	24,985		178,019	
Cash at bank		216,778		69,611	
		<u>241,763</u>		<u>247,630</u>	
Creditors: amounts falling due within one year	7	<u>(422,722)</u>		<u>(1,319,943)</u>	
Net current liabilities			(180,959)		(1,072,313)
Total assets less current liabilities			<u>22,601,041</u>		<u>19,897,687</u>
Creditors: amounts falling due after more than one year	8		(24,192,009)		(22,356,180)
			<u>(1,590,968)</u>		<u>(2,458,493)</u>
Capital and reserves					
Called up share capital			1		1
Investment revaluation reserve	9		37,983		(1,061,368)
Profit and loss account	9		(1,628,952)		(1,397,126)
Shareholders' funds	10		<u>(1,590,968)</u>		<u>(2,458,493)</u>

Approved by the Board and authorised for issue on 15/05/15

A Rowell
Director

Company Registration No. SC274858

PRINCES STREET INVESTMENTS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		1,324,065		1,193,320
Returns on investments and servicing of finance				
Interest paid	(874,827)		(1,048,822)	
Net cash outflow for returns on investments and servicing of finance		(874,827)		(1,048,822)
Capital expenditure				
Payments to acquire tangible assets	(10,072,307)		(321,333)	
Net proceeds from disposal of tangible assets	8,544,941		3,454,801	
Net cash outflow for capital expenditure		(1,527,366)		3,133,468
Net cash (outflow)/inflow before management of liquid resources and financing		(1,078,128)		3,277,966
Financing				
Repayment of long term bank loan	(240,000)		(2,563,200)	
Drawdown of long term bank loan	2,100,000		-	
Drawdown of other long term loans	11,595,295		649,900	
Repayment of other long term loans	(12,230,000)		(1,549,083)	
Net cash inflow/(outflow) from financing		1,225,295		(3,462,383)
Increase / (decrease) in cash in the year		147,167		(184,417)

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

1	Reconciliation of operating profit to net cash outflow from operating activities	2014	2013		
		£	£		
	Operating profit	1,304,872	1,315,094		
	(Increase)/decrease in debtors	(15,033)	17,311		
	Increase/(decrease) in creditors within one year	34,226	(139,085)		
	Net cash inflow from operating activities	1,324,065	1,193,320		
2	Analysis of net debt	1 September 2013	Cash flow	Other non-cash changes	31 August 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	69,611	147,167	-	216,778
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due within one year	(148,554)	-	8,473	(140,081)
	Debts falling due after one year	(22,356,180)	(1,827,356)	(8,473)	(24,192,009)
		(22,504,734)	(1,827,356)	-	(24,332,090)
	Net debt	(22,435,123)	(1,680,189)	-	(24,115,312)
3	Reconciliation of net cash flow to movement in net debt	2014	2013		
		£	£		
	Increase/(decrease) in cash in the year	147,167	(184,417)		
	Cash outflow from decrease in debt	(1,827,356)	3,370,938		
	Movement in net debt in the year	(1,680,189)	3,186,521		
	Opening net debt	(22,435,123)	(25,621,644)		
	Closing net debt	(24,115,312)	(22,435,123)		

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of the investment properties.

At 31 August 2014 the company had net liabilities amounting to £1,590,968 and net current liabilities amounting to £180,959.

The financial statements have been prepared on a going concern basis which is considered appropriate due to the continuing financial support by its parent company and its ultimate parent company Redefine International P.L.C., which has undertaken to support the company for at least one year from the date of approval of the company's accounts for the year ended 31 August 2014.

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.

1.3 Turnover

Turnover represents rent receivable, excluding value added tax and arises solely in the United Kingdom.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors and the directors on an open market value basis.

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view.

Any aggregate surplus or deficit arising on revaluation is transferred to the investment revaluation reserve. Deficit on individual investment properties that are expected to be permanent are charged to the profit and loss account.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 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. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits. Deferred tax balances are not discounted.

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

2	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Operating lease rentals	31,688	17,250
	Auditors remuneration for audit services provided	7,175	6,125
	Directors remuneration	-	-
		<u> </u>	<u> </u>
3	Interest payable	2014	2013
		£	£
	On bank loan	504,886	583,240
	On debenture loan	217,095	868,330
		<u> </u>	<u> </u>
		<u>721,981</u>	<u>1,451,570</u>
4	Tangible fixed assets		
			Investment properties £
	Cost or valuation		
	At 1 September 2013		20,970,000
	Additions		10,072,307
	Revaluation		971,693
	Disposals		(9,232,000)
			<u> </u>
	At 31 August 2014		22,782,000
			<u> </u>
	Net book value		
	At 31 August 2014		22,782,000
			<u> </u>
	At 31 August 2013		20,970,000
			<u> </u>

Investment properties were valued by DTZ Debenham Tie Leung Limited, an International Property Advisor, as at 31 August 2014 on an open market value basis. No depreciation is provided in respect of these properties.

The comparable historic cost amounted to £22,744,017.

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

4 Fixed asset investment properties

	£
At 1 September 2013	20,970,000
Additions	10,072,307
Revaluation	971,693
Disposals	(9,232,000)
At 31 August 2014	22,782,000

Investment properties were valued by DTZ Debenham Tie Leung Limited, an International Property Advisor, as at 31 August 2014 on an open market value basis. No depreciation is provided in respect of these properties.

The comparable historic cost amounted to £22,744,017.

6 Debtors

	2014 £	2013 £
Amounts owed by Ciref Malthurst Limited	-	168,067
Other debtors	24,985	9,952
	<u>24,985</u>	<u>178,019</u>

7 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loan (secured)	140,081	148,554
Trade creditors	225	225
Amounts owed to group undertakings	-	46,112
Other creditors	63,961	-
Accruals and deferred income	218,455	1,125,052
	<u>422,722</u>	<u>1,319,943</u>

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

8	Creditors: amounts falling due after more than one year	2014 £	2013 £
	Debenture	-	12,230,000
	Bank loan	10,288,757	8,596,288
	Amount owed to Ciref Malthurst Limited	13,903,252	1,529,892
		<u>24,192,009</u>	<u>22,356,180</u>

The bank loan is secured by way of a fixed & floating charge over the assets of the company and bears a composite interest rate of approximately 4.15%. The loan has been fixed using a swap. The loan is repayable at a rate of £240,000 per year and terminates in January 2019.

The amount owed to Ciref Malthurst Limited is unsecured and Ciref Malthurst Limited have undertaken not to demand repayment of this amount within one year. There is no interest payable on this loan.

9	Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
	Balance at 1 September 2013	(1,061,368)	(1,397,126)
	Loss for the financial year	-	(104,168)
	Realised loss in the year	127,658	(127,658)
	Revaluation during the year	971,693	-
	Balance at 31 August 2014	<u>37,983</u>	<u>(1,628,952)</u>

10	Reconciliation of movements in Shareholders' funds	2014 £	2013 £
	Loss for the financial year	(104,168)	(321,675)
	Other recognised gains and losses	971,693	(801,333)
	Net addition to/(depletion in) shareholders' funds	<u>867,525</u>	<u>(1,123,008)</u>
	Opening Shareholders' funds	<u>(2,458,493)</u>	<u>(1,335,485)</u>
	Closing Shareholders' funds	<u>(1,590,968)</u>	<u>(2,458,493)</u>

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

11 Financial commitments

At 31 August 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
In over five years	20,000	17,250

12 Control

Ciref Malthurst Limited, a company registered in the British Virgin Islands, is the company's immediate parent.

The largest group in which the results of the company are consolidated is headed by Redefine Properties Limited, which is incorporated in South Africa. The smallest group in which the results of the company are consolidated is headed by Redefine International P.L.C., the ultimate parent.

The consolidated financial statements of Redefine Properties Limited are available to the public and may be obtained from its offices Redefine Place, 2 Arnold Road, Rosebank 2196, Johannesburg, South Africa.

13 Related party relationships and transactions

During the year management fees of £27,564 (2013 - £116,268) were charged by Redefine International Property Management Limited, a sister subsidiary of the ultimate parent. At the year end £nil (2013 - £27,962) was owed to Redefine International Property Management Limited.

At the year end £nil (2013 - £18,150) was owed to Redefine International P.L.C.

During the year fees of £nil (2013 - £149,900) were charged by Redefine International Fund Managers Limited, a sister subsidiary of the ultimate parent.

At the year end £nil (2013 - £168,067) was owed by Ciref Malthurst Limited, the company's parent. At the year end £13,903,252 (2013 - £1,529,892) was owed to Ciref Malthurst Limited by the company in respect of a secured long term loan facility.