

COMPANY REGISTRATION NUMBER 01245594

COUNTY PROPERTIES NORTHERN LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2015



COUNTY PROPERTIES NORTHERN LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

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COUNTY PROPERTIES NORTHERN LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J. Guthrie
P.J. Guthrie
R. Guthrie
R.G. Urquhart
M. Robson
D. Nairn

Company secretary

B.P. Swiers

Registered office

137 Scalby Road
Scarborough
North Yorkshire
YO12 6TB

Auditor

Scott-Moncrieff
Chartered Accountants
& Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

Bankers

Svenska Handelsbanken AB (publ)
3 Thomas More Square
London
E1W 1WY

COUNTY PROPERTIES NORTHERN LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2015

The directors present their report and the financial statements of the company for the year ended 30 September 2015.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year have been the running of a property letting business and acting as the administration centre for a number of its fellow subsidiaries.

DIRECTORS

The directors who served the company during the year were as follows:

J. Guthrie
P.J. Guthrie
R. Guthrie
R.G. Urquhart
M. Robson
D. Nairn

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 year.

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;
- 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.

COUNTY PROPERTIES NORTHERN LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2015

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

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

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'B.P. Swiers', written in a cursive style.

B.P. Swiers
Company Secretary

Approved by the directors on 17 March 2016

COUNTY PROPERTIES NORTHERN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
COUNTY PROPERTIES NORTHERN LIMITED
YEAR ENDED 30 SEPTEMBER 2015

We have audited the financial statements of County Properties Northern Limited for the year ended 30 September 2015 on pages 6 to 18. 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 shareholders, 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 shareholders 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 shareholders 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 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 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 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 30 September 2015 and of its profit 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.

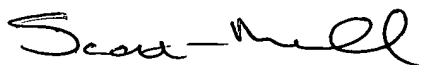
COUNTY PROPERTIES NORTHERN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
COUNTY PROPERTIES NORTHERN LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2015

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 member's report; or
- the directors were not exempt from the requirement to prepare a strategic report.



BERNADETTE HIGGINS (Senior Statutory Auditor)

For and on behalf of

SCOTT-MONCRIEFF

Chartered Accountants & Statutory Auditor

25 Bothwell Street
Glasgow
G2 6NL

17 March 2016

COUNTY PROPERTIES NORTHERN LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £	2014 £
TURNOVER	2	3,112,055	3,085,268
Cost of sales		<u>476,825</u>	<u>469,715</u>
GROSS PROFIT		2,635,230	2,615,553
Administrative expenses		<u>833,022</u>	<u>808,461</u>
OPERATING PROFIT	3	1,802,208	1,807,092
Interest receivable	6	699	814
Interest payable and similar charges	7	<u>(82,639)</u>	<u>(81,174)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,720,268	1,726,732
Tax on profit on ordinary activities	8	<u>351,722</u>	<u>378,509</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,368,546</u>	<u>1,348,223</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 18 form part of these financial statements.

COUNTY PROPERTIES NORTHERN LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 SEPTEMBER 2015

	2015 £	2014 £
Profit for the financial year attributable to the shareholders	1,368,546	1,348,223
Unrealised profit on revaluation of: Investments brought forward	<u>4,715,452</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u><u>6,083,998</u></u>	<u><u>1,348,223</u></u>

The notes on pages 9 to 18 form part of these financial statements.

COUNTY PROPERTIES NORTHERN LIMITED

BALANCE SHEET

30 SEPTEMBER 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	10	61,623	39,480
Investments	11	30,550,000	25,834,548
		<u>30,611,623</u>	<u>25,874,028</u>
CURRENT ASSETS			
Stocks	12	1,254,693	1,254,693
Debtors	13	298,594	330,419
Cash at bank and in hand		31,196	92,405
		<u>1,584,483</u>	<u>1,677,517</u>
CREDITORS: Amounts falling due within one year	15	<u>16,698,120</u>	<u>14,536,600</u>
NET CURRENT LIABILITIES		<u>(15,113,637)</u>	<u>(12,859,083)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,497,986</u>	<u>13,014,945</u>
CREDITORS: Amounts falling due after more than one year	16	2,500,000	2,500,000
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	-	957
		<u>12,997,986</u>	<u>10,513,988</u>
CAPITAL AND RESERVES			
Called up equity share capital	21	12,000	12,000
Revaluation reserve	22	10,170,378	5,454,926
Profit and loss account	22	2,815,608	5,047,062
SHAREHOLDERS' FUNDS	23	<u>12,997,986</u>	<u>10,513,988</u>

These accounts were approved by the directors and authorised for issue on 17 March 2016, and are signed on their behalf by:

J. Guthrie
Director

Company Registration Number 01245594

The notes on pages 9 to 18 form part of these financial statements.

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of accounting

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 UK accounting standards.

1.2 Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

1.3 Turnover

Turnover represents amounts receivable for rents, service charges and management fees, net of value added tax where applicable.

1.4 Fixed assets

All fixed assets are initially recorded at cost.

1.5 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	33% straight line basis
Fixtures & Fittings	-	20% reducing balance basis
Motor Vehicles	-	25% reducing balance basis

1.6 Investment properties

In accordance with SSAP 19, the directors have included the company's investment properties in the balance sheet at their estimate of open market value. The aggregate surplus or deficit on revaluation is transferred to undistributable revaluation reserve. If deficits are considered permanent then these are written off to the profit and loss account.

No depreciation is provided on freehold investment properties which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors these properties are held primarily for their investment potential and so their current value is of more significance than any measure of consumption and to depreciate them would not give a true and fair view. The provisions of SSAP 19 in respect of investment properties have therefore been adopted in order to give a true and fair view. If this departure from the Act had not been made, the results for the year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.7 Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value which is critically reviewed by the directors.

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES *(continued)*

1.8 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.9 Pension costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.10 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that 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:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.11 Going concern

The financial statements for the year ended 30 September 2015 have been prepared on a going concern basis on the strength of confirmation from the parent company that it will continue to provide financial support.

1.12 Acquisition and disposal of properties

Acquisitions of properties are accounted for on the date of unconditional contract and disposals of properties on the date of legal completion.

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the company.
An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>3,112,055</u>	<u>3,085,268</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
Depreciation of owned fixed assets	16,947	9,199
Auditor's remuneration		
- as auditors	7,530	7,220
Operating lease costs:		
- Land and buildings	<u>29,000</u>	<u>29,000</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015 No	2014 No
Administrative staff	1	1
Directors	6	6
	<u>7</u>	<u>7</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	476,729	468,774
Social security costs	63,669	62,530
Other pension costs	44,183	35,558
	<u>584,581</u>	<u>566,862</u>

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015 £	2014 £
Remuneration receivable	435,074	427,880
Value of company pension contributions to money purchase schemes	42,377	33,685
	<u>477,451</u>	<u>461,565</u>

Remuneration of highest paid director:

	2015 £	2014 £
Total remuneration (excluding pension contributions)	305,036	304,205
Value of company pension contributions to money purchase schemes	30,000	21,936
	<u>335,036</u>	<u>326,141</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2015 No	2014 No
Money purchase schemes	<u>2</u>	<u>2</u>

6. INTEREST RECEIVABLE

	2015 £	2014 £
Other interest	699	63
Interest from group undertakings	–	751
	<u>699</u>	<u>814</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable on bank borrowing	<u>82,639</u>	<u>81,174</u>

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.50% (2014 - 22%)	354,836	377,552
Total current tax	354,836	377,552
Deferred tax:		
Origination and reversal of timing differences	(3,114)	957
Tax on profit on ordinary activities	351,722	378,509

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.50% (2014 - 22%).

	2015 £	2014 £
Profit on ordinary activities before taxation	1,720,268	1,726,732
Profit on ordinary activities by rate of tax	352,655	379,881
Permanent timing differences	(933)	1,522
Capital allowances in excess of depreciation	3,114	(957)
Group relief	-	(2,894)
Total current tax (note 8(a))	354,836	377,552

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing investment properties to their market value. Such tax would only become payable when the properties were sold. Provision for taxation on disposal is made where a binding agreement to sell has been entered into by the balance sheet date.

9. DIVIDENDS

Equity dividends

	2015 £	2014 £
Paid during the year:		
Dividends on equity shares	3,600,000	3,600,000

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

10. TANGIBLE ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 October 2014	8,413	4,000	36,266	48,679
Additions	–	3,787	35,303	39,090
At 30 September 2015	8,413	7,787	71,569	87,769
DEPRECIATION				
At 1 October 2014	902	–	8,297	9,199
Charge for the year	2,503	947	13,497	16,947
At 30 September 2015	3,405	947	21,794	26,146
NET BOOK VALUE				
At 30 September 2015	5,008	6,840	49,775	61,623
At 30 September 2014	7,511	4,000	27,969	39,480

11. INVESTMENTS

	Other Investments £
COST OR VALUATION	
At 1 October 2014	25,834,548
Revaluations	4,715,452
At 30 September 2015	30,550,000
NET BOOK VALUE	
At 30 September 2015	30,550,000
At 30 September 2014	25,834,548

Investment properties

Other investments comprise investment properties with a net book value of £30,550,000 (2014 - £25,834,548).

Investment properties have been revalued at their open market value as at the year end by the following directors Mr J. Guthrie (FRICS), Mr R.G. Urquhart (MRICS), Mr R. Guthrie (RICS) and Mr D. Nairn (RICS).

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

12. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	<u>1,254,693</u>	<u>1,254,693</u>

13. DEBTORS

	2015 £	2014 £
Trade debtors	83,601	76,304
Other debtors	628	4,087
Prepayments and accrued income	212,208	250,028
Deferred taxation (note 14)	2,157	-
	<u>298,594</u>	<u>330,419</u>

The debtors above include the following amounts falling due after more than one year:

	2015 £	2014 £
Prepayments and accrued income	<u>115,447</u>	<u>156,932</u>

14. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2015 £	2014 £
Included in debtors (note 13)	2,157	-
Included in provisions	-	(957)
	<u>2,157</u>	<u>(957)</u>

The movement in the deferred taxation account during the year was:

	2015 £	2014 £
Balance brought forward	(957)	-
Profit and loss account movement arising during the year	3,114	(957)
Balance carried forward	<u>2,157</u>	<u>(957)</u>

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

14. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	2,157	-	(957)	-
Deferred tax not provided - on disposal of revalued assets	-	(934,363)	-	(406,263)
	<u>2,157</u>	<u>(934,363)</u>	<u>(957)</u>	<u>(406,263)</u>

15. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Overdrafts	3,120,089	6,026,383
Trade creditors	64,778	74,448
Amounts owed to group undertakings	12,801,131	7,704,630
Corporation tax	354,836	377,552
Other taxation	-	97
Other creditors	47,406	45,352
Accruals and deferred income	309,880	308,138
	<u>16,698,120</u>	<u>14,536,600</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015	2014
	£	£
Overdrafts	<u>3,120,089</u>	<u>6,026,383</u>

16. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	<u>2,500,000</u>	<u>2,500,000</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015	2014
	£	£
Bank loans	<u>2,500,000</u>	<u>2,500,000</u>

17. PENSIONS

The amount of pension contributions outstanding at the year end was £3,521 (2014 - £3,521).

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

18. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
After more than 5 years	<u>29,000</u>	<u>29,000</u>

19. CONTINGENCIES

This company has given cross guarantees in respect of group borrowings from its bankers. The company has also entered into a group offset arrangement with its bankers. Security given includes a debenture over the whole assets of the company, together with specific legal charges over certain investment properties.

20. RELATED PARTY TRANSACTIONS

Advantage is taken of the exemption for wholly owned subsidiaries given in Financial Reporting Standard number 8 "Related Party Disclosures" from the requirement to separately disclose transactions with group companies.

21. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

22. RESERVES

	Revaluation reserve	Profit and loss account
	£	£
At 1 October 2014	5,454,926	5,047,062
Profit for the year	–	1,368,546
Equity dividends	–	(3,600,000)
Other gains and losses		
- Revaluation of fixed assets	<u>4,715,452</u>	<u>–</u>
At 30 September 2015	<u>10,170,378</u>	<u>2,815,608</u>

COUNTY PROPERTIES NORTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	1,368,546	1,348,223
Other net recognised gains and losses	4,715,452	–
Equity dividends	(3,600,000)	(3,600,000)
Net addition/(reduction) to shareholders' funds	2,483,998	(2,251,777)
Opening shareholders' funds	10,513,988	12,765,765
Closing shareholders' funds	<u>12,997,986</u>	<u>10,513,988</u>

24. ULTIMATE PARENT COMPANY

The immediate parent company is County Properties Group Limited who own 100% of the issued share capital of the company.

The directors regard Broadland Properties Limited as the ultimate controlling party. Broadland Properties Limited is the ultimate parent of the Group and the only parent for which group accounts are prepared. Broadland Properties Limited is registered in England.