

Company Registration No. 04229308 (England and Wales)

TANSOR (CORNBOW) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

THURSDAY



A6FXQJLK

A38

28/09/2017

#288

COMPANIES HOUSE

TANSOR (CORNBOW) LIMITED

COMPANY INFORMATION

Directors	R. A. Oliver T. Carswell A.R.A. Insall	(Appointed 7 September 2016) (Appointed 7 September 2016)
------------------	--	--

Secretary	A. Faherty
------------------	------------

Company number	04229308
-----------------------	----------

Registered office	Nelson House 2 Hamilton Terrace Leamington Spa Warwickshire CV32 4LY
--------------------------	--

Auditor	The Ollis Partnership Limited Nelson House 2 Hamilton Terrace Leamington Spa Warwickshire CV32 4LY
----------------	---

Business address	c/o Tansor Real Estate Co Ltd 22A St James's Square London SW1Y 4JH
-------------------------	--

TANSOR (CORNBOW) LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 13

TANSOR (CORNBOW) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of a property management and investment company. The company owns the Cornbow shopping centre in Halesowen and offers rental space for retailers

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R. A. Oliver
C.S. Willans
T. Carswell
A.R.A. Insall

(Resigned 1 February 2017)
(Appointed 7 September 2016)
(Appointed 7 September 2016)

Auditor

The auditor, The Ollis Partnership Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

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

On behalf of the board



R. A. Oliver
Director

12 September 2017

TANSOR (CORNBOW) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the annual 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;
- 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.

TANSOR (CORNBOW) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TANSOR (CORNBOW) LIMITED

We have audited the financial statements of Tansor (Cornbow) Limited for the year ended 31 December 2016 set out on pages 5 to 13. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion

The basis of the qualification is in respect of the company's investment property which is disclosed in the financial statements at 31st December 2016 at £52.5 million. The company is in possession of a professional valuation of the property dated 9th March 2017, in which the property is valued at £58.1 million. We believe that the valuation dated 9th March 2017 would provide a more accurate picture of the property's value as at 31st December 2016 than the figure shown in the financial statements, and we therefore disagree with the management's decision not to include the property at the new valuation. The valuation of the property is therefore materially understated by £5.6 million.

Qualified Opinion

- In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the state of the company's affairs as at 31 December 2016 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; and

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

TANSOR (CORNBOW) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TANSOR (CORNBOW) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Richard Smith (Senior Statutory Auditor)
for and on behalf of The Ollis Partnership Limited

12 September 2017

Chartered Accountants
Statutory Auditor

Nelson House
2 Hamilton Terrace
Leamington Spa
Warwickshire
CV32 4LY

TANSOR (CORNBOW) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover		3,258,305	3,269,834
Administrative expenses		(669,469)	(722,828)
Other operating income		-	16
		<hr/>	<hr/>
Operating profit		2,588,836	2,547,022
Interest receivable and similar income		864	799
Interest payable and similar expenses		(904,836)	(957,562)
		<hr/>	<hr/>
Profit before taxation		1,684,864	1,590,259
Tax on profit		-	-
		<hr/>	<hr/>
Profit for the financial year		<u>1,684,864</u>	<u>1,590,259</u>

TANSOR (CORNBOW) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investment properties	3	52,500,000		52,500,000	
Current assets					
Debtors	4	8,509,204		8,453,275	
Cash at bank and in hand		1,460,073		1,397,636	
		<u>9,969,277</u>		<u>9,850,911</u>	
Creditors: amounts falling due within one year	5	<u>(9,476,710)</u>		<u>(9,492,087)</u>	
Net current assets			492,567		358,824
Total assets less current liabilities			<u>52,992,567</u>		<u>52,858,824</u>
Creditors: amounts falling due after more than one year	6		(58,711,005)		(60,262,126)
Net liabilities			<u>(5,718,438)</u>		<u>(7,403,302)</u>
Capital and reserves					
Called up share capital	7		100		100
Revaluation reserve			9,680,537		9,680,537
Profit and loss reserves			<u>(15,399,075)</u>		<u>(17,083,939)</u>
Total equity			<u>(5,718,438)</u>		<u>(7,403,302)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 12 September 2017 and are signed on its behalf by:



R. A. Oliver
Director

Company Registration No. 04229308

TANSOR (CORNBOW) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2015	100	9,680,537	(18,674,198)	(8,993,561)
Year ended 31 December 2015:				
Profit and total comprehensive income for the year	-	-	1,590,259	1,590,259
Balance at 31 December 2015	100	9,680,537	(17,083,939)	(7,403,302)
Year ended 31 December 2016:				
Profit and total comprehensive income for the year	-	-	1,684,864	1,684,864
Balance at 31 December 2016	100	9,680,537	(15,399,075)	(5,718,438)

TANSOR (CORNBOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Tansor (Cornbow) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Nelson House, 2 Hamilton Terrace, Leamington Spa, Warwickshire, CV32 4LY. The trading address of the company is 22A St James Square, London, SW1Y 4JH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Tansor (Cornbow) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 8.

1.2 Going concern

The accounts have been prepared on a going concern basis. The appropriateness of this treatment is dependent on the continuing support of the company's loan provider. The company's loan provider is currently reviewing the terms of the loan, but there we have not been advised of any reason to suspect that this support will not be ongoing, and the going concern basis therefore continues to be adopted.

1.3 Turnover

Turnover represents amounts receivable from rental income exclusive of VAT from the subletting of units in the shopping centre, which is held as an investment property.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

TANSOR (CORNBOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Tangible fixed assets include investment properties professionally valued by Cushman and Wakefield LLP on 10th June 2014 on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	Three years straight line
--------------------------------	---------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

TANSOR (CORNBOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2016 and 31 December 2016	27,410
Depreciation and impairment	
At 1 January 2016 and 31 December 2016	27,410
Carrying amount	
At 31 December 2016	-
At 31 December 2015	-

3 Investment property

	2016 £
Fair value	
At 1 January 2016 and 31 December 2016	52,500,000

Investment property comprises the Cornbow shopping centre in Halesowen. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 10th June 2014 by Cushman and Wakefield Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

No depreciation has been charged on the property due to the frequency with which it is revalued.

TANSOR (CORNBOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £	2015 £
Cost	42,819,463	42,819,463
Accumulated depreciation	-	-
Carrying amount	<u>42,819,463</u>	<u>42,819,463</u>

4 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	8,028	51,551
Other debtors	8,501,176	8,401,724
	<u>8,509,204</u>	<u>8,453,275</u>

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	45,952	76,194
Amounts due to group undertakings	60,000	68,301
Other taxation and social security	178,015	118,406
Other creditors	9,192,743	9,229,186
	<u>9,476,710</u>	<u>9,492,087</u>

Included within other creditors is an amount of £8,356,895 relating to preference share capital. The preference shares shown were never paid for by the company to whom they were issued. The unpaid share capital is included in other debtors in the accounts and steps are to be taken to remove these shares from the accounts during 2017.

TANSOR (CORNBOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	58,711,005	60,262,126

The bank loan showing under Creditors falling due after more than one year at the balance sheet date related to a loan from Barclays Bank, which was secured by a number of charges over the assets of the company. This loan was settled on 30th April 2017 and subsequently refinanced with an alternative lender.

The loan was replaced by a new loan from ICG - Longbow Investments on 2nd May 2017. This loan is repayable on 5th May 2019 and is subject to a commercial rate of interest. A charge in favour of ICG - Longbow Investments has been registered over the assets of Tansor (Cornbow) Limited on 2nd May 2017, replacing the previous charges in favour of Barclays Bank plc, which have now been cancelled. The current loan arrangement is an interim arrangement and negotiations to finalise a more permanent arrangement are currently at an advanced stage of completion.

7 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Authorised		
100 Ordinary shares of £1 each	100	100
Issued and not fully paid		
100 Ordinary shares of £1 each	100	100
	100	100
Authorised		
8,356,895 Non-redeemable preference shares of £1 each	8,356,895	8,356,895

The company has 8,356,895 preference shares in issue, which were issued to its immediate parent company. However, these shares remain unpaid at the balance sheet date, and it is expected that they will ultimately be cancelled.

8 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

TANSOR (CORNBOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP and under FRS 102	(8,993,561)	(7,433,610)
Adjustments to prior year (note 1)	-	30,308
As restated	<u>(8,993,561)</u>	<u>(7,403,302)</u>

Reconciliation of profit for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	1,559,952
Adjustments to prior year (note 1)	30,307
As restated	<u>1,590,259</u>

Notes to reconciliations on adoption of FRS 102

(1) Rent Free Periods

The adjustment in relation to rent free periods relates to a correction in the allocation of income to those periods.