# Bourlion Limited

## Report and Financial Statements

30 April 2014

**Directors**
P McElroy
M Lysaght
JS Quinn

**Secretary**
P McElroy

**Auditors**
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

**Bankers**
Barclays
54 Lombard Street
London EC3 3AH

**Registered Office**
55 Fellows Road
Farnborough
GU14 6NU

Registered No. 2788272

# Directors' report

The directors present their report and financial statements for the year ended 30 April 2014.

## Principal activity

The company's principal activity during the year was the rental of commercial properties.

## Directors

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

P McElroy
M Lysaght
JS Quinn

## Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

## Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board

P McElroy
Director

16 December 2014

# Statement of directors' responsibilities

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 judgments and estimates that are reasonable and prudent; 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 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.

# Independent auditors' report

**to the members of Bourlion Limited**

We have audited the financial statements of Bourlion Limited for the year ended 30 April 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 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 financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on the 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 April 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

# Independent auditors' report

**to the members of Bourlion 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; 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

Ernst & Young LLP

Ian Gibson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
19 December 2014

# Profit and loss account

**for the year ended 30 April 2014**

| | Notes | 2014<br>£ | 2013<br>£ |
|---|---|---|---|
| ***Turnover*** | | 2,023,524 | 663,200 |
| Administrative expenses | | (1,826,462) | (103,937) |
| ***Operating Profit*** | 2 | 197,062 | 559,263 |
| Interest payable and similar charges | | (175,077) | (207,498) |
| ***Profit on ordinary activities before taxation*** | | 21,985 | 351,765 |
| Tax | 4 | (1,583) | (86,439) |
| ***Profit for the financial year*** | 10 | 20,402 | 265,326 |

# Balance sheet

**at 30 April 2014**

| | Notes | 2014 £ | 2013 £ |
|---|---|---|---|
| ***Fixed assets*** | | | |
| Investments | 5 | – | 5,360,000 |
| ***Current assets*** | | | |
| Fixed assets held for sale | 5 | 1,000,000 | – |
| Debtors | 6 | 250,000 | 20,000 |
| Cash at bank and in hand | | 353,312 | 215,132 |
| | | 1,603,312 | 235,132 |
| ***Creditors:*** amounts falling due within one year | 7 | (812,558) | (745,975) |
| ***Net current assets/ (liabilities)*** | | 790,754 | (510,843) |
| ***Total assets less current liabilities*** | | 790,754 | 4,849,157 |
| ***Creditors:*** amounts falling due after more than one year | 8 | – | (4,032,289) |
| ***Provisions for liabilities*** | | | |
| Deferred taxation | 4(c) | – | (46,515) |
| ***Net Assets*** | | 790,754 | 770,353 |
| ***Capital and reserves*** | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | 10 | 790,654 | 770,253 |
| ***Shareholders' funds*** | 10 | 790,754 | 770,353 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

P McElroy

Director

16 December 2014

# Notes to the financial statements

**at 30 April 2014**

## 1. Accounting policies

***Basis of preparation***

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

***Turnover***

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of value added tax and trade discounts.

***Investments***

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Directors, necessary in order to give a true and fair view of the financial position of the company. The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Changes in value of investment properties will be reflected in the revaluation reserve, unless a deficit on an individual property is expected to be permanent, in which case it will be charged (or credited) to the profit and loss account for the period.

***Deferred taxation***

Deferred taxation 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 right to pay less or to receive more, tax, with the following exception:

- 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.

## 2. Operating Profit

This is stated after charging/(crediting):

| | | *2014* | *2013* |
|---|---|---|---|
| | | *£* | *£* |
| Lease surrender receipt | | (1,500,000) | – |
| Profit on sale of fixed assets | | (390,000) | – |
| Impairment of fixed assets | | 2,000,000 | – |
| Auditors' remuneration – | fees payable to the company's auditor for the audit of the company's annual financial statements | 4,850 | 4,850 |
| Other fees to auditors – | taxation services | 1,090 | 1,090 |
| | other services | 600 | 600 |

# Notes to the financial statements

**at 30 April 2014**

## 3. Directors' remuneration

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Fees | 5,000 | 5,000 |

The company did not employ any persons during the year, except for the directors.

## 4. Tax

(a) Analysis of charge in year:

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| ***Current tax:*** | | |
| UK corporation tax on the profits for the year | 48,098 | 81,916 |
| Adjustments in respect of prior periods | – | 5,905 |
| Total current tax (note 4(b)) | 48,098 | 87,821 |
| ***Deferred tax:*** | | |
| (Decrease)/Increase in deferred tax provision | (40,448) | 708 |
| Impact of rate change on opening balance | (6,067) | (2,090) |
| Total deferred tax (note 4(c)) | (46,515) | (1,382) |
| Tax on profit on ordinary activities | 1,583 | 86,439 |

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 22.84% (2013 – 24%). The differences are explained below:

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Profit on ordinary activities before tax | 21,985 | 351,765 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.84% (2012 – 25.8%) | 5,021 | 84,134 |
| *Effects of:* | | |
| Disallowed expenses and non-taxable income | 45,642 | – |
| Capital allowances in advance of depreciation | (576) | (739) |
| Marginal relief | (1,989) | (1,482) |
| Change in tax rate | | – |
| Adjustments to tax charge in respect of prior periods | – | 5,908 |
| Current tax for the year (note 4(a)) | 48,098 | 87,821 |

# Notes to the financial statements

**at 30 April 2014**

## 4. Tax (continued)

(c) Deferred tax

| | £ |
|---|---|
| At 1 May 2013 | 46,515 |
| Release for the year | (46,515) |
| At 30 April 2014 | – |

The provision for deferred taxation is made up as follows

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Accelerated capital allowances | – | 46,515 |

Deferred tax assets not recognised in the financial statement are as follows:

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Timing differences | (2,299) | – |

The deferred tax asset arising mainly from timing differences has not been recognised in the financial statements due to uncertainty over the timing of future suitable taxable profits against which the asset will reverse.

Deferred tax has been calculated at 20% as at 30 April 2014 reflecting HMRC enactment, in July 2013 of a reduction in the corporation tax rate effective from 1 April 2015.

## 5. Investments

| | £ |
|---|---|
| Cost or valuation: | |
| At 1 May 2014 | 5,360,000 |
| Disposal | (2,360,000) |
| Impairment | (2,000,000) |
| At 30 April 2014 | 1,000,000 |

During the year an investment property was sold for a consideration of £2,750,000 resulting in a gain on disposal of £390,000.
In accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008) an informal open market valuation has been carried out by the Directors on the investment property as at 30 April 2014. The impairment loss in 2014 of £2 million arose on reducing the carrying value of the investment to its recoverable amount.
As at 30 April 2014 the investments held by the business are held for sale.

# Notes to the financial statements

**at 30 April 2014**

## 6. Debtors

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Deferred Consideration | 250,000 | - |
| Prepayments and accrued income | - | 20,000 |

## 7. Creditors: amounts falling due within one year

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | 163,661 | 230,000 |
| Amounts owed to related party | 317,517 | 277,517 |
| Corporation tax | 46,742 | 80,561 |
| Other taxes and social security costs | 278,097 | 35,464 |
| Other creditors | 6,541 | 122,433 |
| | 812,558 | 745,975 |

## 8. Creditors: amounts falling due after more than one year

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Bank loans | - | 4,032,289 |

The bank term loans are repayable by quarterly instalments with interest based on LIBOR plus a margin and a balloon payment on the third anniversary date.

The loans are secured by a first legal charge over the company's fixed assets, a first fixed charge over all future freehold and leasehold property of the company, a first fixed charge over all book debts and a first floating charge over all the undertaking and assets of the company.

## 9. Issued share capital

| | | 2014 | | 2013 |
|---|---|---|---|---|
| *Allotted, called up and fully paid* | *No.* | *£* | *No.* | *£* |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |

# Notes to the financial statements

**at 30 April 2014**

## 10. Movements on reserves

| | *Profit and loss account* |
|---|---|
| | *£* |
| At 1 May 2012 | 504,927 |
| Profit for the year | 265,325 |
| At 1 May 2013 | 770,252 |
| Profit for the year | 20,402 |
| At 1 May 2014 | 790,654 |

## 11. Related party transactions

Auriga Investments Limited is the majority shareholder. Management charges of £40,000 were charged to Auriga Investments Limited during the year. At 30 April 2014 the balance outstanding to Auriga Investments Limited was £317,517 (2013 – £277,517).

## 12. Ultimate parent undertaking and controlling party

The parent undertaking of the company is Auriga Investments Limited, a company incorporated in Jersey.

## 13. Post balance sheet event

In November 2014, Bourlion Limited agreed the sale the investment property held for sale as at 30 April 2014. The sale of the investment is expected to recognise a consideration of £1 million representing the carrying value of the investment at 30 April 2014.