

**INDUSTRIAL & COMMERCIAL HOLDINGS PLC**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

**Registered No. 4024879**

## CONTENTS

STRATEGIC REPORT	1
REPORT OF THE DIRECTORS	2
CONSOLIDATED PROFIT AND LOSS ACCOUNT	8
CONSOLIDATED BALANCE SHEET	8
COMPANY BALANCE SHEET	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
COMPANY STATEMENT OF CHANGES IN EQUITY	11
NOTES TO THE FINANCIAL STATEMENTS	12
NOTICE OF ANNUAL GENERAL MEETING	16
FORM OF PROXY	19

# **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

## **STRATEGIC REPORT**

### **Conditional Property Sale**

We are pleased to report to shareholders that, on 4<sup>th</sup> December 2017, Dougalston Ltd, the Company's subsidiary, entered into a conditional sale agreement with Mactaggert & Mickel Homes Ltd ("M & M") in respect of the bulk of its landholding in Milngavie, Scotland. The agreement is conditional on M & M obtaining suitable planning permission for housing development on the site, and fulfilling or waiving fulfilment of any conditions in the grant of planning permission, within a period of between 3 to 6 years, depending on a number of factors. The agreement allows us the opportunity to provide input to the planning process in order to maximise the value of the site. It also includes further payments in relation to any increases in value of the site arising from subsequent grants of planning permission for a period of up to 20 years. Dougalston Ltd will retain ownership of small parts of the property that may have a future value.

The conditional sale agreement includes a formula for setting the net sale price based on the market value of the site once planning permission has been granted. The net sale price will include a minimum of three instalment payments of £25,000 each with the first having been paid on the signing of the conditional sale agreement and the second and third instalments being paid on an annual basis thereafter. M & M may terminate the conditional sale agreement early without completing the purchase of the property, but in doing so M & M will still be required to pay any remaining instalment(s).

The Group remains liable for the normal costs of maintaining the property in the period of the agreement.

### **Rights Issue**

On 1<sup>st</sup> June 2016, the Company issued a circular to shareholders providing details of a non-renounceable underwritten 9 for 8 rights issue ('Rights Issue'). On 8<sup>th</sup> July 2016, pursuant to the Rights Issue, the Company issued 26,997,733 new ordinary shares of 1 pence each at par raising gross proceeds of approximately £270,000. As a result, the issued share capital of the Company increased from 23,997,985 to 50,995,718 Ordinary Shares. The net proceeds of the Rights Issue, amounted to approximately £233,000 after expenses.

### **Conclusion**

As a result of the rights issue and subsequent conditional sale, the Board are optimistic that shareholders will be able to realise value from their holdings in due course, and that the Group is fully funded for the interim period.

Approved by the Board on 21<sup>st</sup> December 2017 and signed on its behalf.

City Group P.L.C.  
Company Secretary  
21<sup>st</sup> December 2017

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts of the Company and the Group for the year ended 30<sup>th</sup> June 2017.

### RESULTS AND DIVIDENDS

The Group suffered a loss of £39,304 arising through property and development expenses (2016 - profit of £3,027 after selling a small ransom strip for £50,000). The Directors do not recommend payment of a dividend in respect of the financial year.

### PRINCIPAL RISKS AND UNCERTAINTIES

There is limited credit risk from monies held by independently rated banks.

### DIRECTORS

The Directors who have held office during the year were as follows:

C P Latilla-Campbell  
D C Marshall  
L H Marshall\*  
E J Beale

The Directors have no interests in the shares of the subsidiary company, Dougalston Limited. The interests of Directors in the Company are as follows: -

	<b>30 June 2017</b>	30 June 2016
	<b>Number of shares</b>	Number of shares
C P Latilla-Campbell	-	-
D C Marshall	-	-
E J Beale	<b>63,750</b>	30,000

*\*Mr L H Marshall died on 20 November 2016*

Mr E J Beale and Mr D C Marshall are directors of Western Selection P.L.C and consequently have an interest in 15,252,744 ordinary shares in the Company by virtue of Western Selection P.L.C.'s shareholding in the Company. Mr C P Latilla-Campbell has a beneficial interest in 5,312,500 ordinary shares in the Company held by Buchanan Trading Inc. There have been no changes in Directors' interests since 30<sup>th</sup> June 2017.

### SUBSTANTIAL INTERESTS

At 20<sup>th</sup> December 2017, being the latest practicable date prior to the publication of this document, the Company was aware of the following interests which represented three per cent or more of the Company's issued share capital:

	<b>Number of shares</b>	<b>% of capital</b>
Western Selection P.L.C.	15,252,744	29.9
Takeoff Asset Management Ltd	8,615,842	16.9
Mr T P King	5,415,576	10.6
Buchanan Trading Inc	5,312,500	10.4
Mr E Dangoor	3,850,907	7.6
Lomond Property and Whisky Management Ltd	2,984,158	5.9
Mr D Wyley	2,125,212	4.2

## **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

### **ISSUE OF NEW ORDINARY SHARES**

On 8<sup>th</sup> July 2016, 26,997,733 new ordinary shares were issued pursuant to a rights issue and share certificates for such shares were posted to shareholders and investors on 11<sup>th</sup> July 2016.

### **AUDITORS**

A resolution to re-appoint SRG LLP as auditors will be proposed at the Annual General Meeting of the Company, to be held on 25<sup>th</sup> January 2018, in accordance with Section 489 of the Companies Act 2006.

### **SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING**

In addition to the ordinary business referred to in Resolutions 1 to 3 of the Notice of Annual General Meeting at the end of this document, the Directors propose special business as set out in Resolutions 4 and 5 of the Notice of Annual General Meeting.

Resolution number 4 will, if passed, grant the Directors authority to allot, pursuant to Section 551 of the Companies Act 2006, £500,000 in nominal amount of the Company's authorised but unissued share capital.

Resolution number 5 deals with issues of shares for cash. Section 561 of the Companies Act 2006 requires that when the Directors propose to allot ordinary shares for cash, they must first offer such ordinary shares to existing shareholders in proportion to their existing holdings, unless powers have been previously given to the Directors under section 571 of the Act to disapply these provisions. If granted, this authority will expire at the conclusion of the next Annual General Meeting after the Annual General Meeting to be held in January 2018.

Resolutions 4 and 5 are standard resolutions and the Company has no plans at present to issue any further shares.

Approved by the Board on 21<sup>st</sup> December 2017 and signed on its behalf.

City Group PLC.  
Company Secretary

## **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

### **CORPORATE GOVERNANCE**

The Financial Conduct Authority requires that listed companies incorporated in the UK should state in their report and accounts whether they comply with the UK Corporate Governance Code (2016) (“the Code”) and identify and give reasons for any areas of non-compliance. The Company’s ordinary shares are not listed on the London Stock Exchange nor dealt in on the AIM market of the London Stock Exchange nor are they listed or traded on any other stock exchange or and accordingly no disclosures are required. This is not a statement of compliance as required by the Code and should therefore not be relied upon to give the disclosure required by the Code.

The Company follows the Code wherever it is reasonable to do so. It operates an effective board, which includes non-executive Directors. The appointment of Directors is a matter for the entire Board. Each Director is required to retire every three years in accordance with the Articles of Association.

The Company has no Audit Committee as the entire Board takes responsibility for the review of financial reporting and all material internal controls, including financial, operational controls and risk management. The responsibility on a day to day basis for maintaining a sound system of internal controls rests with the directors of City Group PLC which provides day to day administration, accounting and company secretarial services to the Group.

The Company has no Remuneration Committee because the Company has no employees and the remuneration of each Director is limited by the Articles of Association and set out in detail in the statutory accounts which are laid before shareholders in General Meeting. None of the Directors has a service contract or letter of appointment with the Company. There are no share options in issue.

The Board is aware of the requirements of the Code and the need for appropriate controls and systems to safeguard the Company’s assets. Wherever possible, appropriate controls are put in place and monitored by the Board. However full compliance with the Code is not possible nor appropriate because of the size and resource constraints within the Company and because of the relative cost benefit assessment of putting in place the additional procedures.

The Directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the annual report and the Company’s financial statements.

## **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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 those financial statements, the Directors are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) 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.

After making enquiries and examining key areas which could give rise to significant financial exposure the Directors are satisfied that no material or significant exposures exist, other than as reflected in these financial statements, and

that the Company has adequate resources to continue its operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and the Company's financial statements.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

by Order of the Board

**City Group PLC**  
Company Secretary  
21<sup>st</sup> December 2017

# **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

## **REPORT OF THE INDEPENDENT AUDITORS**

TO THE MEMBERS OF INDUSTRIAL & COMMERCIAL HOLDINGS PLC

### **Opinion**

We have audited the financial statements of Industrial & Commercial Holdings PLC for the year ended 30 June 2017 which comprise Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group and Parent Company Statements of Changes in Equity and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors has been prepared in accordance with applicable legal requirements.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## REPORT OF THE INDEPENDENT AUDITORS (continued)

### 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 Strategic Report and the Report of the Directors.

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 Director's 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 Report of the Directors and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

### Trevor Clarke (Senior Statutory Auditor)

for and on behalf of SRG LLP  
Statutory Auditor

28 Ely Place, 3rd Floor,  
London,  
EC1N 6AA

21<sup>st</sup> December 2017

## INDUSTRIAL & COMMERCIAL HOLDINGS PLC

### CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June

Year ended 30 June	Notes	2017 £	2016 £
Other Operating Income		27	49,093
Administration, Development and Property expenses		<u>(39,434)</u>	<u>(45,719)</u>
<b>Operating (loss)/profit</b>		<b>(39,407)</b>	<b>3,374</b>
Bank interest receivable		103	18
Interest payable		-	(365)
(Loss)/Profit before taxation	6	<u>(39,304)</u>	<u>3,027</u>
Tax expense	8	-	-
(Loss)/Profit after taxation		<u>(39,304)</u>	<u>3,027</u>
Total comprehensive (expense)/income for the financial year attributable to the equity holders		<b>(39,304)</b>	<b>3,027</b>
Basic (loss)/profit/per share	9	<b>(0.08)p</b>	<b>0.01p</b>

All activities derive from continuing operations.

### CONSOLIDATED BALANCE SHEET

As at 30 June

	Notes	2017 £	2016 £
<b>Fixed Assets</b>			
Investment property	10	42,125	42,125
<b>Current assets</b>			
Debtors	12	-	36,786
Cash at bank		<u>193,188</u>	<u>105,597</u>
		<b>193,188</b>	<b>142,383</b>
<b>Current liabilities</b>			
Creditors due within one year	13	<u>(9,717)</u>	<u>(134,999)</u>
<b>Net current assets</b>		<b>183,471</b>	<b>7,384</b>
<b>Total assets less current liabilities</b>		<u><b>225,596</b></u>	<u><b>49,509</b></u>
<b>Capital and reserves</b>			
Called up share capital	14	509,956	239,980
Share premium account	15	26,534	81,119
Profit and loss account		<u>(310,894)</u>	<u>(271,590)</u>
<b>Total equity shareholders' funds</b>		<u><b>225,596</b></u>	<u><b>49,509</b></u>

These financial statements were approved by the Board on 21<sup>st</sup> December 2017.

Signed on behalf of the Board

E J Beale  
Director

## INDUSTRIAL & COMMERCIAL HOLDINGS PLC

The notes set out on pages 12 to 15 form part of these financial statements.

### COMPANY BALANCE SHEET

As at 30 June

Company Number 4024879	Notes	2017 £	2016 £
<b>Fixed Assets</b>			
Investments in Group companies	11	160	160
<b>Current assets</b>			
Debtors	12	-	36,786
Amounts receivable from Group Company		42,123	42,123
Cash and cash equivalents		193,188	105,597
		<u>235,311</u>	<u>184,506</u>
Trade and other payables – due within one year	13	(9,717)	(134,999)
<b>Net current assets</b>		<u>225,594</u>	<u>49,507</u>
<b>Total assets less current liabilities</b>		<u>225,754</u>	<u>49,667</u>
<b>Capital and reserves</b>			
Called up share capital	14	509,956	239,980
Share premium account	15	26,534	81,119
Profit and Loss Account		(310,736)	(271,432)
<b>Total equity shareholders' funds</b>		<u>225,754</u>	<u>49,667</u>

These financial statements were approved by the Board on 21<sup>st</sup> December 2017.

Signed on behalf of the Board

E J Beale  
Director

The notes set out on pages 12 to 15 form part of these financial statements.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
(Loss)/Profit for the financial year	<b>(39,304)</b>	3,027
<b>Adjustments for:</b>		
Interest paid	-	365
Interest received	<b>(103)</b>	(18)
Decrease/(increase) in trade debtors	<b>36,786</b>	(36,786)
(Decrease)/Increase in trade creditors	<b>(62,632)</b>	54,931
Profit on sale of fixed assets	-	(48,971)
<b>Net cash generated from operating activities</b>	<b>(65,253)</b>	(27,452)
<b>Cash flows from investing activities</b>		
Net proceeds from sale of tangible assets	-	48,971
Interest received	<b>103</b>	18
<b>Net cash from investing activities</b>	<b>103</b>	48,989
<b>Cash flows from financing activities</b>		
Share subscriptions	<b>207,326</b>	62,650
Costs of issue	<b>(54,585)</b>	-
Interest paid	-	(365)
<b>Net cash used in financing activities</b>	<b>152,741</b>	62,285
<b>Increase in cash and cash equivalents</b>	<b>87,591</b>	83,822
<b>Cash and cash equivalents at beginning of the year</b>	<b>105,597</b>	21,775
<b>Cash and cash equivalents at end of the year</b>	<b>193,188</b>	105,597

The notes set out on pages 12 to 15 form part of these financial statements.

## INDUSTRIAL & COMMERCIAL HOLDINGS PLC

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £	Share premium account £	Profit and loss account £	Attributable to the equity holders £
<b>At 1 July 2015</b>	239,980	81,119	(274,617)	46,482
Profit for the year	-	-	3,027	3,027
Other comprehensive income	-	-	-	-
<b>At 30 June 2016</b>	<u>239,980</u>	<u>81,119</u>	<u>(271,590)</u>	<u>49,509</u>
Loss for the year	-	-	(39,304)	(39,304)
Other comprehensive income	-	-	-	-
Transactions with shareholders –share issue	269,976	(54,585)	-	215,391
<b>At 30 June 2017</b>	<u>509,956</u>	<u>26,534</u>	<u>(310,894)</u>	<u>225,596</u>

### COMPANY STATEMENT OF CHANGES IN EQUITY

	Called up share capital £	Share premium account £	Profit and loss account £	Attributable to the equity holders £
<b>At 1 July 2015</b>	239,980	81,119	(274,459)	46,640
Profit for the year	-	-	3,027	3,027
Other comprehensive income	-	-	-	-
<b>At 30 June 2016</b>	<u>239,980</u>	<u>81,119</u>	<u>(271,432)</u>	<u>49,667</u>
Loss for the year	-	-	(39,304)	(39,304)
Other comprehensive income	-	-	-	-
Transactions with shareholders –share issue	269,976	(54,585)	-	215,391
<b>At 30 June 2017</b>	<u>509,956</u>	<u>26,534</u>	<u>(310,736)</u>	<u>225,754</u>

The notes set out on pages 12 to 15 form part of these financial statements.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting

The Company is a public limited company incorporated and domiciled in the United Kingdom. The registered office is situated at 6 Middle Street, London EC1A 7JA. The principal activity of the Company is development and building projects.

### 2. Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard' applicable in the United Kingdom and Republic of Ireland ('FRS 102'), and with the Companies Act 2006. The accounts have been prepared on the historical cost basis.

### 3. Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company continues to adopt the going concern basis in preparing its financial statements

### 4. Significant judgments and estimates

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Directors continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, income and expenditure. The Directors base their judgement, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which the management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future years.

### 5. Principle accounting policies

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

These consolidated accounts include the results of the subsidiary company, Dougalston Limited, for the year ended 30<sup>th</sup> June 2017. Results of subsidiaries are included from their effective date of acquisition to their effective dates of disposal.

Under Section 408(3) of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

#### Investment properties

Freehold land held for development is stated at cost.

#### Taxation

Current tax is expected tax payable on the income taxable for the period, using tax rates enacted or substantially enacted at the balance sheet date and any adjustments to tax payable in respect to previous years.

Deferred taxation is provided on the full liability method on timing differences arising from the different treatment of items for accounts and taxation purposes which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

#### Property transactions

Acquisitions and disposal of property are accounted for upon exchange of contracts provided completion takes place prior to the date on which the accounts are approved.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Financial instruments

The Company and its subsidiary (the 'Group') classifies financial instruments on initial recognition as financial assets and financial liabilities.

The financial assets of the Company comprise Debtors and Cash and cash equivalents. The carrying amounts approximate to their fair values, the transactions giving rise to these balances arising in the normal course of trade.

The financial liabilities of the Company comprise Creditors. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. The carrying amounts approximate to their fair value.

### 6. Loss on ordinary activities before taxation

	2017	2016
	£	£
Loss/(profit) on ordinary activities before taxation is stated after charging:		
Audit fees for the Group (excluding VAT)	<u>4,025</u>	<u>3,675</u>

### 7. Directors' emoluments and staff costs

The emoluments of the Directors who were the only employees of the Company were:

	2017	2016
	£	£
C P Latilla-Campbell	5,000	3,000
D C Marshall	5,000	1,000
L H Marshall	1,140	1,000
J M Robotham	-	1,000
E J Beale	5,000	-
	<u>16,140</u>	<u>6,000</u>

The services of Messrs D C and L H Marshall and Mr E J Beale were supplied by their primary employers.

### 8. Tax on ordinary activities

	2017	2016
	£	£
Tax expense is based on profit for the year and represents:		
UK Corporation Tax	<u>-</u>	<u>-</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19.75% (2016: 20%). The differences are explained as follows:

Loss)/Profit on ordinary activities before tax	(39,304)	3,027
Corporation tax at 19.75% (2016 – 20%)	(7,763)	605
Losses carried forward	7,763	-
Losses brought forward	-	(605)
	<u>-</u>	<u>-</u>

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. Profit/(loss) per share

	2017 £	2016 £
Profit/(loss) per share is based on the profit/loss on ordinary activities after taxation and on 50,995,718 (2016 –23,997,985) being the weighted average number of shares in issue during the year.	<u>(0.08p)</u>	<u>0.01p</u>

### 10. Investment property

	2017 £	2016 £
<b>Group</b>		
Freehold property at cost, brought forward and carried forward	<u>42,125</u>	<u>42,125</u>

### 11. Investment in subsidiary undertaking

	2017 £	2016 £
Dougalston Limited		
At cost – brought forward and carried forward	<u>160</u>	<u>160</u>

The aggregate amount of capital and reserves and the results of this undertaking for the year ended 30<sup>th</sup> June 2017 were:

	Capital and reserves £2	Profit (loss) for the year £-
<b>Dougalston Limited</b>	<u>£2</u>	<u>£-</u>

Dougalston Limited, a dormant wholly-owned subsidiary company, holds the title to the Group's freehold property and is incorporated in England.

### 12. Debtors

	2017 £	2016 £
<b>Group and Company</b>		
Prepaid rights issue expenses	<u>-</u>	<u>36,786</u>

### 13. Creditors – due within one year

	2017 £	2016 £
<b>Group and Company</b>		
Shareholders rights subscriptions	-	62,650
Trade creditors	2,417	67,939
Accruals and deferred income	7,300	4,410
	<u>9,717</u>	<u>134,999</u>

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14. Share capital

<b>Called up, allotted and fully paid</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
23,997,985 ordinary shares at 1p	<b>239,980</b>	239,980
26,997,733 new ordinary shares (rights issue) at 1p	<b>269,976</b>	-
Total 50,995,718 shares	<b>509,956</b>	239,980

### 15. Share premium account

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
At 1 July	<b>81,119</b>	81,119
Costs of rights issue	<b>(54,585)</b>	-
Balance carried forward	<b>26,534</b>	81,119

### 16. Related parties

The section on Related Party disclosures gives details of the interests of the Directors in any material transactions. Other than as disclosed below, and in Note 7, no Director was interested in any contract between the Directors, the Company and any other related parties which subsisted during or at the end of the financial year.

Messrs D C Marshall and E J Beale are Directors, and Mr L H Marshall was a Director, of City Group PLC which received fees of £3,000 (2016: £2,000) for the provision of office, accounting and company secretarial services to the Company and £10,000 in respect of rights issue services. Mr E J Beale's director's fees of £5,000 were paid to City Group PLC for the period to 31<sup>st</sup> March 2017 when he was employed by City Group PLC. There was an amount of £2,417 due to City Group PLC from the Group at 30<sup>th</sup> June 2017 (2016 - £3,765).

### 17. Related Undertakings

In accordance with section 409 of the Companies Act 2006, a full list of related undertakings, the country of incorporation and the percentage of equity owned, directly or indirectly, as at 30<sup>th</sup> June 2017, is disclosed below:

<b>Company</b>	<b>Country</b>	<b>Ownership</b>
Dougalston Limited	United Kingdom	100%

### 18 Events subsequent to the year end.

On 4<sup>th</sup> December 2017, Dougalston Ltd, the Company's subsidiary, entered into a conditional sale agreement with Mactaggert & Mickel Homes Ltd ("M & M") in respect of the bulk of its landholding in Milngavie, Scotland. Further details are provided in the Strategic Report.

## INDUSTRIAL & COMMERCIAL HOLDINGS PLC

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Industrial & Commercial Holdings PLC will be held at 6 Middle Street, London EC1A 7JA at 12.00 pm on 25<sup>th</sup> January 2018 for the following purposes:

#### ORDINARY BUSINESS

1. To receive the financial statements for the year ended 30<sup>th</sup> June 2017 together with the reports of the Directors and Auditors thereon.
2. To re-elect as a Director Mr Christopher Latilla-Campbell who retires in accordance with the Company's Articles of Association and being eligible offers himself for re-election.
3. To re-appoint SRG LLP as Auditors of the Company and to authorise the Directors to agree their remuneration.

#### SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions. Resolution 4 will be proposed as an Ordinary Resolution and Resolution 5 will be proposed as a Special Resolution.

4. THAT the Board be and is hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of the Companies Act 2006) up to an aggregate nominal amount of £500,000 provided that this authority shall expire at the conclusion of the next annual general meeting of the Company to be held in 2018 or the following year, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and that the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired but otherwise in substitution for any authorities conferred on the Directors to allot relevant securities. Words or expressions defined in or for the purposes of Part 17 of the Companies Act 2006 shall bear the same meaning herein.
5. THAT subject to the passing of Resolution 4 and upon such resolution becoming effective, the Directors be and are hereby empowered pursuant to Section 571 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash pursuant to the authority conferred by Resolution 4 as if sub-section (1) of Section 561 of that Act did not apply to any such allotment provided that this power shall be limited:
  - (a) to the allotment of equity securities in connection with a rights, bonus or other similar issue in favour of shareholders and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective number of shares held by them but subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient for the purpose of dealing with fractional entitlements or legal or practical problems under the laws of or the requirements of any regulatory body or any stock exchange in any territory; and
  - (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £25,500 representing approximately 5 per cent of the issued share capital and it shall expire at the conclusion of the next annual general meeting of the Company to be held in 2018 or the following year, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired but otherwise it shall be in substitution for any prior authorities conferred on the Directors to allot equity securities.

By Order of the Board

City Group PLC  
Company Secretary

Registered Office:  
6 Middle Street  
London EC1A 7JA  
21<sup>st</sup> December 2017

## **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

### **NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING**

#### **Entitlement to attend and vote**

1. The Company specifies that only those members registered on the Company's Register at 12.00 pm on 23<sup>rd</sup> January 2018, or if the Annual General Meeting is adjourned, 48 hours prior to the adjourned meeting, shall be entitled to attend and vote at the Annual General Meeting.

#### **Appointment of proxies**

2. You should have received with this document a Form of Proxy. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting. . You can only appoint a proxy using the Form of Proxy and following the procedures set out in these notes and the notes to the Form of Proxy.
3. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy your Form of Proxy or contact the Company's Registrars, City Group PLC, to obtain an extra Form of Proxy on +44 (0)20 7796 9060.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolutions. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.

#### **Appointment of proxy using hard-copy Form of Proxy**

6. The notes to the Form of Proxy explain how to direct your proxy to vote on the Resolutions or withhold your vote.

To appoint a proxy using the Form of Proxy, the form must be:

- completed and signed; and
- sent or delivered to City Group PLC, 6 Middle Street, London EC1A 7JA; and
- received by City Group PLC no later than 12.00 pm on 23<sup>rd</sup> January 2018 (or if the Annual General Meeting is adjourned, 48 hours before the adjourned Annual General Meeting).

In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by a director or an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

## **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

### **Appointment of proxy by joint members**

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register in respect of the joint holding (the first-name being the most senior).

### **Changing proxy instructions**

8. To change your proxy instructions simply submit a new Form of Proxy using the methods set out above. Note that the cut-off time for receipt of Forms of Proxy (see above) also applies in relation to amended instructions; any amended Form of Proxy received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact City Group PLC on +44 (0)20 7796 9060.

If you submit more than one valid Form of Proxy the appointment received last before the latest time for the receipt of Forms of Proxies will take precedence.

### **Termination of proxy appointments**

9. In order to revoke a Form of Proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your Form of Proxy appointment to City Group PLC, 6 Middle Street, London EC1A 7JA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by City Group PLC no later than 12.00 pm on 23<sup>rd</sup> January 2018.

If you attempt to revoke your Form of Proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your Form of Proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your Form of Proxy appointment will automatically be terminated.

### **Corporate representatives**

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## FORM OF PROXY

### INDUSTRIAL & COMMERCIAL HOLDINGS PLC (the "Company")

I/We .....  
of .....  
being member(s) of the Company hereby appoint the Chairman of the meeting, failing whom

.....  
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 12.00 pm on 25<sup>th</sup> January 2018 and at any adjournment thereof.

I/We hereby authorise and instruct my/our proxy to vote as indicated below on the resolutions to be proposed at such meeting. Unless otherwise directed the proxy will vote or abstain from voting as he thinks fit.

	For	Against	Withheld
<b>Ordinary Resolutions</b>			
1. To receive the financial statements for the year ended 30 <sup>th</sup> June 2017, together with the reports of the Directors and Auditors thereon.			
2. To re-elect Mr C P Latilla-Campbell as a Director.			
3. To re-appoint SRG LLP as Auditors of the Company and to authorise the Directors to agree their remuneration.			
4. To authorise the Directors to allot shares under Section 551 of the Companies Act 2006.			
<b>Special Resolution</b>			
5. To authorise the Directors to allot shares disapplying pre-emption rights.			

Dated ..... Signature .....

### NOTES

1. This Form of Proxy must be lodged at **6 Middle Street, London, EC1A 7JA** not later than 12.00 pm on 23<sup>rd</sup> January 2018, with, if appropriate, the power of attorney or other authority under which it is signed or a notarially certified copy of such power of authority.
2. In the case of a corporation this Form of Proxy should be given under its Common Seal or, if none, should be signed by the attorney or officer duly authorised.
3. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the register of Shareholders in respect of the joint holding.
4. If it is desired to appoint a proxy any person other than the chairman of the meeting, the name and address of such person should be inserted in the relevant place, reference to the chairman deleted, and the alteration initialled.
5. A proxy need not be a Shareholder.

## INDUSTRIAL & COMMERCIAL HOLDINGS PLC

6. A member should indicate with a cross (X) in the space provided above how they wish their votes to be cast. In the absence of specific instructions their special attorney may vote as he thinks fit. The “vote withheld” option is provided to enable you to instruct your proxy not to vote on the Resolution, however, it should be noted that a vote withheld in this way is not a vote in law and will not be counted in the calculation of the proportion of votes “for” and “against” the Resolution.
7. Use of this Form of Proxy does not preclude a member from attending the meeting and voting in person.