

COMMERCIAL UNION BUILDINGS COMPANY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
PAGES FOR FILING WITH REGISTRAR

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COMMERCIAL UNION BUILDINGS COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr B. J. Hyman Mrs B. J. Hyman
Secretary	M Bloch
Company number	00048629
Registered office	3rd Floor 114a Cromwell Road London SW7 4AG
Accountants	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

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COMMERCIAL UNION BUILDINGS COMPANY LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3	480,089		461,700	
Investment properties	4	1,920,000		1,920,000	
Investments	5	2		27	
		<u>2,400,091</u>		<u>2,381,727</u>	
Current assets					
Debtors	7	690,729		731,260	
Cash at bank and in hand		239,165		157,564	
		<u>929,894</u>		<u>888,824</u>	
Creditors: amounts falling due within one year	8	<u>(765,735)</u>		<u>(761,737)</u>	
Net current assets		<u>164,159</u>		<u>127,087</u>	
Total assets less current liabilities		<u>2,564,250</u>		<u>2,508,814</u>	
Creditors: amounts falling due after more than one year	9	(476,500)		(476,500)	
Provisions for liabilities		<u>(101,772)</u>		<u>(105,194)</u>	
Net assets		<u><u>1,985,978</u></u>		<u><u>1,927,120</u></u>	
Capital and reserves					
Called up share capital	10	4,428		4,428	
Capital redemption reserve		3,500		3,500	
Profit and loss reserves		<u>1,978,050</u>		<u>1,919,192</u>	
Total equity		<u><u>1,985,978</u></u>		<u><u>1,927,120</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

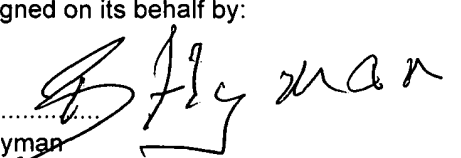
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2016

The financial statements were approved by the board of directors and authorised for issue on 30/3/17 and are signed on its behalf by:


.....
Mr B. J. Hyman
Director

Company Registration No. 00048629

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2014		4,428	128,255	3,500	1,569,221	1,705,404
Effect of transition to FRS 102		-	(128,255)	-	107,196	(21,059)
As restated		4,428	-	3,500	1,676,417	1,684,345
Year ended 30 June 2015:						
Profit and total comprehensive income for the year		-	-	-	242,775	242,775
Balance at 30 June 2015		4,428	-	3,500	1,919,192	1,927,120
Year ended 30 June 2016:						
Profit and total comprehensive income for the year		-	-	-	58,858	58,858
Balance at 30 June 2016		4,428	-	3,500	1,978,050	1,985,978

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Commercial Union Buildings Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 114a Cromwell Road, Kensington, London, SW7 4AG.

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 investment properties at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Commercial Union Buildings Company 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 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for rent and service charges provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

1.3 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long Leasehold Land and Buildings	over the term of the lease
Furniture & equipment	over 5 years
Motor vehicles	over 5 years

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.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.4 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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.8 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 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 receipts 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2015 - 2).

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

3 Tangible fixed assets

	Long Leasehold Land and Buildings	Furniture & Motor vehicles equipment		Total
	£	£	£	£
Cost				
At 1 July 2015	208,610	426,482	66,219	701,311
Additions	1,492	28,577	-	30,069
At 30 June 2016	210,102	455,059	66,219	731,380
Depreciation and impairment				
At 1 July 2015	45,456	127,936	66,219	239,611
Depreciation charged in the year	2,861	8,819	-	11,680
At 30 June 2016	48,317	136,755	66,219	251,291
Carrying amount				
At 30 June 2016	161,785	318,304	-	480,089
At 30 June 2015	163,154	298,546	-	461,700

Furniture and Equipment is inclusive of paintings and photographs with a carried forward balance of £297,516 (2015: £297,516). No depreciation has been provided on these assets as their estimated residual value is equal to cost.

4 Investment property

	2016 £
Fair value	
At 1 July 2015 and 30 June 2016	1,920,000

Freehold investment properties owned by the company have been valued at 30th June 2016 by the directors, based on professional advice, using an open market value for existing use basis at £1,920,000 (2015: £1,920,000). The historical cost of these properties was £1,278,983 (2015: £1,278,983).

5 Fixed asset investments

	2016 £	2015 £
Investments	2	27

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

5 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in associated undertakings £
Cost or valuation	
At 1 July 2015	27
Disposals	(25)
	<hr/>
At 30 June 2016	2
	<hr/>
Carrying amount	
At 30 June 2016	2
	<hr/>
At 30 June 2015	27
	<hr/>

During the year company disposed of 25 Ordinary shares in Aviawise Limited. The directors consider that these fixed assets investments are not subsidiary undertakings in respect of the year ended 30 June 2016.

6 Associates

Details of the company's associates at 30 June 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Lyleworth Limited	England	Property Investment	Ordinary Shares	50.00	
Dalepass Limited	England	Property Investment	Ordinary Shares	50.00	

7 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	4,119	-
Other debtors	686,610	731,260
	<hr/>	<hr/>
	690,729	731,260
	<hr/>	<hr/>

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	30,102	29,878
Other taxation and social security	7,936	8,884
Other creditors	727,697	722,975
	<u>765,735</u>	<u>761,737</u>

9 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	476,500	476,500
	<u>476,500</u>	<u>476,500</u>

The bank loans and overdrafts secured by the company on its investment properties.

10 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Authorised		
2,000 Ordinary shares of £10 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Issued and fully paid		
770 Ordinary Shares - £5.75 paid of £10 each	4,428	4,428
	<u>4,428</u>	<u>4,428</u>

11 Operating lease commitments

The operating leases represent leases from third parties. The lease was negotiated over the term of 33 years and rentals vary over time. There are no options in place for either party to extend the lease terms.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016 £	2015 £
Within one year	30	30
Between two and five years	180	150
In over five years	4,680	4,740
	<u>4,890</u>	<u>4,920</u>

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

12 Reconciliations on adoption of FRS 102

This is the first financial year that the company has presented its financial statements in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ("FRS 102"). For financial years up to and including the year ended 30 June 2015, the company prepared its financial statements in accordance with previous UK GAAP.

The company's date of transition to FRS 102 is therefore 1 July 2014. This note sets out the changes to accounting policies and the transitional adjustments that are required to be made for first time transition to FRS 102. The company's opening equity position as at the 1 July 2014 and its previously published financial statements for the year ended 30 June 2015 have been restated from previous UK GAAP.

In carrying out the transition to FRS 102, the company has not applied any of the optional exemptions as permitted by Section 35 'Transition to this FRS'.

Reconciliation of equity

	Notes	1 July 2014 £	30 June 2015 £
Equity as reported under previous UK GAAP		1,705,404	2,032,314
Adjustments arising from transition to FRS 102:			
Deferred tax	4	(21,059)	(105,194)
Equity reported under FRS 102		<u>1,684,345</u>	<u>1,927,120</u>

Reconciliation of (loss)/profit for the financial period

	Notes	2015 £
Loss as reported under previous UK GAAP		(185,852)
Adjustments arising from transition to FRS 102:		
Investment property revaluation	1	512,762
Deferred tax	4	(84,135)
Profit reported under FRS 102		<u>242,775</u>

Notes to reconciliations on adoption of FRS 102

1. Revaluation reserve

Under previous UK GAAP, investment properties were carried at open market value with movements in value recognised in the Statement of Total Recognised Gains and Losses unless there was a downward revaluation which was considered permanent, in which case it was recognised in the profit and loss account.

FRS 102 requires the movement on investment properties to be recognised in the profit and loss where it can be reliably measured without undue cost or effort. A reclassification was required to reclassify the £128,255 uplift at the date of transition and £512,762 uplift for the year ended 30 June 2015 from the revaluation reserve to profit and loss reserve.

COMMERCIAL UNION BUILDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

12 Reconciliations on adoption of FRS 102

(Continued)

2. Other creditors

The company has reclassified certain creditors as being repayable within one year rather than over one year.

3. Other debtors

The company has reclassified certain debtors as being receivable within one year rather than over one year.

4. Deferred tax

Under previous UK GAAP, the company was not required to provide for taxation on revaluations, unless it had entered into a binding sale agreement and recognised the gain or loss expected to arise. Under FRS 102, deferred tax is provided on the temporary timing difference arising from the revaluation. A deferred tax liability of £21,059 was recognised on transition to FRS 102 for the uplift in the value of investment properties at 1 July 2014. The deferred tax rate used was the corporation tax rate of 20%. At 30 June 2015 the deferred tax liability was £105,194, a movement of £84,135, which was reflected by a increase in provisions and corresponding debit in the profit and loss account.