

REGISTERED NUMBER: 00501644 (England and Wales)

**DIRECTOR'S REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2017 TO 31 MARCH 2018
FOR
EASTCASTLE PROPERTIES LIMITED**

Magma Audit LLP
Chartered Accountants
Statutory Auditor
340 Melton Road
Leicester
LE4 7SL

CONTENTS OF THE FINANCIAL STATEMENTS
for the period 1 May 2017 to 31 March 2018

	Page
Company Information	1
Director's Report	2
Report of the Independent Auditors	3
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

EASTCASTLE PROPERTIES LIMITED
COMPANY INFORMATION
for the period 1 May 2017 to 31 March 2018

DIRECTOR:	D J Kennedy
SECRETARY:	A J Pickering
REGISTERED OFFICE:	Parkway House Sheen Lane London SW14 8LS
REGISTERED NUMBER:	00501644 (England and Wales)
AUDITORS:	Magma Audit LLP Chartered Accountants Statutory Auditor 340 Melton Road Leicester LE4 7SL
BANKERS:	Lloyds Bank PLC 165 Fosse Road North Leicester Leicestershire LE3 5EZ

DIRECTOR'S REPORT
for the period 1 May 2017 to 31 March 2018

The director presents his report with the financial statements of the company for the period 1 May 2017 to 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of property investment.

DIVIDENDS

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

DIRECTORS

The directors who have held office during the period from 1 May 2017 to the date of this report are as follows:

D J Kennedy - appointed 16 November 2017

A Markless - resigned 16 November 2017

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

D J Kennedy - Director

20 June 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EASTCASTLE PROPERTIES LIMITED

Opinion

We have audited the financial statements of Eastcastle Properties Limited (the 'company') for the period ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

In our opinion, except for the effects of the matter described in the basis for the qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for qualified 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 Auditors' 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 appropriated to provide a basis for our qualified opinion.

However, with respect to the opening balances and comparative information shown in the financial statements we were unable to obtain sufficient audit evidence as the financial statements have not been audited in previous years. We were unable to obtain sufficient appropriate audit evidence regarding the opening balances and comparative information disclosed by using other audit procedures.

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Director's Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EASTCASTLE PROPERTIES 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 Director's 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 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 director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

In respect solely of the limitation on our work relating to opening balances and comparative information disclosed:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- we were unable to determine whether proper accounting records had been maintained.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other matters which we are required to address

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Richard Lodder (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
340 Melton Road
Leicester
LE4 7SL

26 June 2018

STATEMENT OF COMPREHENSIVE INCOME
for the period 1 May 2017 to 31 March 2018

		Period 1.5.17 to 31.3.18 £	Year Ended 30.4.17 as restated £
	Notes		
TURNOVER	3	113,670	115,237
Administrative expenses		<u>419,706</u>	<u>(110,717)</u>
OPERATING PROFIT	5	<u>533,376</u>	4,520
Interest receivable and similar income	6	<u>15,344</u>	<u>26,826</u>
		<u>548,720</u>	31,346
Loss on revaluation of investment property		<u>(25,000)</u>	<u>-</u>
PROFIT BEFORE TAXATION		<u>523,720</u>	31,346
Tax on profit	7	<u>(13,715)</u>	<u>(6,351)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>510,005</u>	24,995
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>510,005</u>	<u>24,995</u>

The notes form part of these financial statements

BALANCE SHEET
31 March 2018

		2018	2017
		£	as restated £
FIXED ASSETS	Notes		
Tangible assets	9	-	301
Investment property	10	<u>325,000</u>	<u>1,922,000</u>
		<u>325,000</u>	<u>1,922,301</u>
CURRENT ASSETS			
Debtors	11	4,181,736	7,694
Investments	12	264,896	745,277
Cash at bank and in hand		<u>132,670</u>	<u>1,834,498</u>
		<u>4,579,302</u>	<u>2,587,469</u>
CREDITORS			
Amounts falling due within one year	13	<u>(31,350)</u>	<u>(146,823)</u>
NET CURRENT ASSETS		<u>4,547,952</u>	<u>2,440,646</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,872,952</u>	<u>4,362,947</u>
CAPITAL AND RESERVES			
Called up share capital	15	7,402	7,402
Fair value reserve		26,276	1,384,276
Profit and loss reserve		<u>4,839,274</u>	<u>2,971,269</u>
SHAREHOLDERS' FUNDS		<u>4,872,952</u>	<u>4,362,947</u>

The financial statements were approved by the director on 20 June 2018 and were signed by:

D J Kennedy - Director

STATEMENT OF CHANGES IN EQUITY
for the period 1 May 2017 to 31 March 2018

	Called up share capital £	Profit and loss reserve £	Fair value reserve £	Total equity £
Balance at 1 May 2016	7,402	2,946,274	1,384,276	4,337,952
Changes in equity				
Total comprehensive income	-	24,995	-	24,995
Balance at 30 April 2017	<u>7,402</u>	<u>2,971,269</u>	<u>1,384,276</u>	<u>4,362,947</u>
Changes in equity				
Total comprehensive income	-	510,005	-	510,005
Transfer of current year fair value movement of investment properties	-	25,000	(25,000)	-
Transfer of realised fair value gains	-	1,333,000	(1,333,000)	-
Balance at 31 March 2018	<u>7,402</u>	<u>4,839,274</u>	<u>26,276</u>	<u>4,872,952</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the period 1 May 2017 to 31 March 2018

1. STATUTORY INFORMATION

Eastcastle Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is Parkway House, Sheen Lane, London, SW14 8LS.

2. ACCOUNTING POLICIES

General information

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. The financial statements have been prepared under the historical cost convention, modified to include there valuation of freehold properties and to include investment properties.

As the prior years finance statements were prepared under FRS105, the prior year has been restated.

The current year reporting period represents an 11 month period.

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 £.

Eastcastle Properties Limited is a wholly owned subsidiary of Glenstone Property PLC and the results of Eastcastle Properties Limited will be included in the consolidated financial statements of Glenstone Property PLC which will be available from its registered office, Parkway House, Sheen Lane, East Sheen, London, SW14 8LS.

Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparing the financial statements

The preparation of company's financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The significant assumptions and estimates to the consolidated financial statements are disclosed within the notes to the accounts..

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cashflows, on the basis that it is qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Comparative figures

The comparative figures for the period ended 30 April 2017 were not audited.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

The company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of turnover can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

2. ACCOUNTING POLICIES - continued

Turnover represents rents receivable from investment properties, service charges, management charges and lease surrenders.

This turnover is recognised as it falls due, in accordance with the lease to which it relates. Any lease incentives are spread evenly across the period of the lease.

Tangible fixed assets

Fixture and fittings are shown at historical cost less depreciation and provision for impairment. Historic cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight line basis at rates appropriate to write off individual assets over their estimated useful lives of four years.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each Balance Sheet date. An asset is written down if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

Investment property

Investment property comprises freehold buildings. These comprise mainly retail units, offices and residential properties which are measured initially at cost, including related transaction costs. These are held as investments to earn rental income and for capital appreciation and are stated at fair value at the Balance Sheet date.

After initial recognition investment property is carried at fair value, based on market values; it is then determined annually by independent external valuers. When an existing investment property is redeveloped for continued future use as an investment property, it remains an investment property whilst in development.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

Subsequent expenditure is added to the assets carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

Any movement in the fair value of the properties is reflected within the profit and loss account for the year.

The gain or loss arising on the disposal of investment properties is determined as the difference between the net sales proceeds and the carrying value of the asset at the beginning of the period and is recognised in the profit and loss account, in administrative expenses.

Taxation

Corporation tax is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

As a REIT, the Group is exempt from corporation tax on profits and gains from its investments, provided it continues to meet certain conditions as per REIT regulations.

Taxation on the profit and loss for the period not exempt under UK REIT regulations comprises current and deferred tax. Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the period end date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the used for taxation purposes. The amount of deferred tax that is provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using rates enacted or substantially enacted at the period end date.

(i) Current tax

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates of corporation tax that have been enacted by the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

2. ACCOUNTING POLICIES - continued

(ii) Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Operating lease agreements

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Leasehold incentives given to tenants on entering property leases are recognised as unamortised lease incentives on the balance sheet and are amortised to the income statement over the term of the lease.

Following the expiry of the rental period provisions are recognised based on the difference between the higher current rental being received and the estimated current rental value of the property.

Retirement benefits

The company pays contributions into privately administered pension plans which are charged to the Profit and Loss Account in the period when they fall due.

Operating lease agreements

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Leasehold incentives given to tenants on entering property leases are recognised as unamortised lease incentives on the balance sheet and are amortised to the income statement over the term of the lease.

Following the expiry of the rental period provisions are recognised based on the difference between the higher current rental being received and the estimated current rental value of the property.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Capital and reserves

The fair value reserve reflects unrealised gains and losses on investment properties carried at fair value.

The profit and loss reserve reflects accumulated comprehensive income to date less distributions paid and realised gains and losses on the revaluation of investment properties.

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 and 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.

(i) 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. Such assets are subsequently carried at amortised cost using the effective rate interest method.

Trade debtors are recognised initially at invoice value and are subsequently measured less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables concerned. The amount of the provision is recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

2. ACCOUNTING POLICIES - continued

(ii) 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.

(iii) Derecognition of financial assets

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(iv) 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 group after deducting all of its liabilities.

(v) 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.

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.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

(vi) Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Distributions to equity holders, recognised as a liability in the financial statements in the period in which they approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Critical accounting estimates and assumptions

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

2. ACCOUNTING POLICIES - continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

(i) Fair value of investment properties

The annual revaluation of Investment properties is sensitive to the changes in the rental market and the economic climate of the surrounding area. The properties are revalued at fair value by independent external valuers, Jones Lang LaSalle Ltd, each year at the balance sheet date.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
	£	£
Rents receivable	113,670	115,237
	<u>113,670</u>	<u>115,237</u>

4. EMPLOYEES AND DIRECTORS

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
	£	£
Wages and salaries	4,451	8,060
Other pension costs	40,000	90,000
	<u>44,451</u>	<u>98,060</u>

The average number of employees during the period was as follows:

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
Directors	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

4. EMPLOYEES AND DIRECTORS - continued

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
	£	£
Directors' remuneration	4,451	8,060
Directors' pension contributions to money purchase schemes	<u>40,000</u>	<u>90,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
	£	£
Depreciation - owned assets	301	219
Profit on disposal of fixed assets	(443,892)	-
Fees payable to the company's auditor for the audit of the company's financial statements	<u>4,000</u>	<u>-</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
	£	£
Deposit account interest	15,276	26,826
Other interest received	<u>68</u>	<u>-</u>
	<u>15,344</u>	<u>26,826</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
	£	£
Current tax:		
UK corporation tax	13,715	6,351
Tax on profit	<u>13,715</u>	<u>6,351</u>

UK corporation tax has been charged at 19% .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.5.17 to 31.3.18	Year Ended 30.4.17 as restated
	£	£
Profit before tax	<u>523,720</u>	<u>31,346</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	<u>99,507</u>	6,269
Effects of:		
Expenses not deductible for tax purposes	-	82
Effect of revaluations of investments	4,750	-
REIT exempt income and gains	<u>(90,542)</u>	-
Total tax charge	<u>13,715</u>	<u>6,351</u>

The company obtained Real Estate Investment Trust status on 16 November 2017. As a result the company will no longer pay UK Corporation Tax on the profits and gains from qualifying rental business in the UK provided it meets certain conditions. Non-qualifying profits continue to be subject to corporation tax as normal.

Deferred taxation

At the date of transition to FRS102 on 1 May 2017 the directors did not consider a deferred tax provision in relation to the fair value adjustment to investment property. The balance as at April 2017 would have fully reversed on 15 November 2017 as the company entered the REIT of Glenstone Property PLC, its parent, and therefore has no liability to corporation tax on such gains from that date.

8. PRIOR YEAR ADJUSTMENT

Due to a change in accounting framework from FRS 105 to FRS 102 in the period, investment properties have been restated to market value from cost. The effect of this adjustment on the financial statements is an increase in the value of Investment properties to £1,922,000 and the introduction of a fair value reserve at £1,384,276.

Investment bonds with a maturity date greater than 3 months were included in cash at bank. The directors believe that it is more appropriate to include these as current asset investments. A prior period adjustment of £745,277 has been made to correct this. The prior year adjustment has no impact on the profit for the year or the reserves.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

9. TANGIBLE FIXED ASSETS

**Fixtures
and
fittings
£**

COST

At 1 May 2017
and 31 March 2018

2,748

DEPRECIATION

At 1 May 2017

2,447

Charge for period

301

At 31 March 2018

2,748

NET BOOK VALUE

At 31 March 2018

-

At 30 April 2017

301

10. INVESTMENT PROPERTY

**Total
£**

FAIR VALUE

At 1 May 2017

1,922,000

Disposals

(1,572,000)

Revaluations

(25,000)

At 31 March 2018

325,000

NET BOOK VALUE

At 31 March 2018

325,000

At 30 April 2017

1,922,000

Investment property comprises freehold property. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2018 by Jones Lang LaSalle Ltd, independent chartered surveyors. The valuation was made on an open market value basis by reference to existing use.

	2018	2017 as restated
	£	£
Freehold	325,000	1,922,000
Long leasehold	-	-
	<u>325,000</u>	<u>1,922,000</u>

The fair value reserve for the company discloses the movement between the historical cost basis and the fair value basis for investment properties.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Trade debtors	19,015	3,932
Amounts owed by group undertakings	3,417,197	-
Prepayments and accrued income	745,524	3,762
	<u>4,181,736</u>	<u>7,694</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2017 to 31 March 2018

12. CURRENT ASSET INVESTMENTS

	2018	2017 as restated
	£	£
Investment bonds	<u>264,896</u>	<u>745,277</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Tax	13,715	6,351
VAT	2,967	1,525
Other creditors	-	872
Directors' current accounts	-	80,606
Accruals and deferred income	<u>14,668</u>	<u>57,469</u>
	<u>31,350</u>	<u>146,823</u>

14. LEASING AGREEMENTS**Lessor**

At 31 March 2018 the company owned commercial and residential investment properties for rental purposes. Rental income earned during the period was £113,670 (2017: £115,237). The properties are expected to generate yield between 4% and 8% p.a. depending on type of property. Most lease contracts contain market review clauses in the event that the lessee exercises their option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2018	2017 as restated
	£	£
Within one year	31,500	104,083
Between two and five years	<u>47,250</u>	<u>275,792</u>
	<u>78,750</u>	<u>379,875</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017 as restated
			£	£
5,402	Ordinary Shares	£1	5,402	5,402
2,000	Ordinary A	£1	<u>2,000</u>	<u>2,000</u>
			<u>7,402</u>	<u>7,402</u>

The company has two classes of ordinary shares which carry no right to fixed income. The shares carry no special rights or restrictions and each share carries one vote.

16. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Glenstone Property PLC.

The smallest and largest group into which the company is consolidated is Glenstone Property PLC.

The company was acquired by the parent on 15 November 2017.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.