

Victor Green Properties Limited

**Annual report and financial
statements**

Registered number 00556311

31 March 2016

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Directors and advisers

Directors

Mr J James
Miss F James
Mrs R Wood
Mr P Whalan

Secretary

Mrs R Wood

Company number

00556311

Registered office

Portland House
12-13 Greek Street
London
UK
W1D 4DL

Registered auditor

KPMG LLP
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Directors' report

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

Principal activities

The principal activity of the Company continued to be that of property investment, substantially, but not exclusively, in the W1 postal district.

Results and dividends

The profit and loss account for the year is set out on page 5.

The directors do not recommend the payment of a dividend of £nil (2015: £2,143,000).

Directors

The directors who held office during the year and up to the date of this report:

Mr J James
Miss F James
Mrs R Wood
Mr P Whalan

Charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the year.

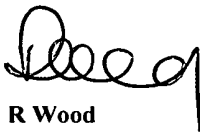
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



Mrs R Wood
Director

23 September 2016

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Victor Green Properties Limited

We have audited the financial statements of Victor Green Properties Limited for the year ended 31 March 2016 set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Anthony Hambleton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated: 27th September 2016

Profit and loss account and other comprehensive income
for the year ended 31 March 2016

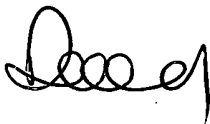
	<i>Note</i>	2016 £000	2015 £000
Turnover	2	141	115
Cost of sales		(59)	(44)
Gross profit		82	71
Administrative expenses		(99)	(96)
Loss on ordinary activities before taxation		(17)	(25)
Tax on loss on ordinary activities	3	30	10
Profit/(loss) for the financial year		13	(15)
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year		13	(15)

The profit and loss account and other comprehensive income has been prepared on the basis that all operations are continuing operations.

Balance sheet
at 31 March 2016

	<i>Note</i>	2016 £000	£000	2015 £000	£000
Fixed assets					
Tangible assets	5		1,013		1,112
Investment property	6		991		966
			<hr/> 2,004		<hr/> 2,078
Current assets					
Debtors	7	25		10	
Cash at bank and in hand		-		-	
		<hr/> 25		<hr/> 10	
Creditors: amounts falling due within one year	8	<hr/> (1,068)		<hr/> (1,111)	
Net current liabilities			<hr/> (1,043)		<hr/> (1,101)
Total assets less current liabilities			<hr/> 961		<hr/> 977
Provisions for liabilities:					
Deferred tax	9		(118)		(147)
Net assets			<hr/> 843		<hr/> 830
Capital and reserves					
Called up share capital	10		-		-
Revaluation reserve			696		766
Profit and loss account			147		64
Shareholders' funds			<hr/> 843		<hr/> 830

These financial statements were approved by the board of directors on 23 September 2016 and were signed on its behalf by:



Mrs R Wood
Director

Company registered number: 00556311

Statement of changes in equity

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2014	-	845	2,143	2,988
Total comprehensive income for the year				
Loss for the year	-	-	(15)	(15)
Transfer of deferred tax movement on revaluation reserve		16	(16)	-
Transfer of depreciation to revaluation reserve	-	(95)	95	-
	-	766	2,207	2,973
Transactions with owners, recorded directly in equity				
Dividends	-	-	(2,143)	(2,143)
Total contributions by and distributions to owners	-	-	(2,143)	(2,143)
Balance at 31 March 2015	-	766	64	830

	Called up Share Capital £000	Revaluation Reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2015	-	766	64	830
Total comprehensive income for the year				
Profit for the year	-	-	13	13
Transfer of deferred tax movement on revaluation reserve		29	(29)	-
Transfer of depreciation to revaluation reserve	-	(99)	99	-
Balance at 31 March 2016	-	696	147	843

Notes

(forming part of the financial statements)

1 Accounting policies

Victor Green Properties Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 14.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Fair value or revaluation as deemed cost – The previous GAAP revaluation at transition date has been used as deemed cost for specific investment property.
- Lease incentives – for leases commenced before transition date the Company continued to account for lease incentives under previous UK GAAP.

The Company’s ultimate parent undertaking, Soho Estates Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Soho Estates Holdings are available to the public and may be obtained from: Portland House, 12-13 Greek Street, London, UK, W1D 4DL. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Soho Estates Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 13.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis except that investment property is stated at fair value.

1.2. Going concern

The directors have reviewed the profit and cash forecasts for the twelve months from the date of approval of these financial statements. The forecasts show a profit and that a positive cash balance will be maintained. On this basis the directors have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4. Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounting policies (continued)

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Land and buildings freehold	None
Land and buildings leasehold	Over the life of the leasehold

No depreciation is provided in respect of freehold land or buildings as the depreciation charge would be immaterial to the accounts.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.7. Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition;

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

1.8. Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.8. Impairment (continued)

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9. Turnover

Turnover represents the amount of property income receivable in the period. Lease incentives are recognised over the duration of the lease term.

1.10. Expenses

Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

1.11. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

Turnover represents the amount of property income receivable in the period, derived wholly in the United Kingdom.

The investment properties are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2016 £000	2015 £000
Less than one year	70	70
Between one and five years	16	86
	<hr/> 86	<hr/> 156

Notes (continued)

3 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016		2015	
	£000	£000	£000	£000
<i>Current tax</i>				
Current tax on income for the period		(1)		6
Adjustments in respect of prior periods		-		-
		<hr/>		<hr/>
Total current tax		(1)		6
<i>Deferred tax (note 9)</i>				
Origination and reversal of timing differences	(15)		(16)	
Change in tax rate	(14)		-	
	<hr/>		<hr/>	
Total deferred tax		(29)		(16)
		<hr/>		<hr/>
Total tax income		(30)		(10)
		<hr/>		<hr/>

Reconciliation of effective tax rate

	2016	2015
	£000	£000
Profit/(loss) for the year	13	(15)
Total tax income	(30)	(10)
	<hr/>	<hr/>
Loss before taxation	(17)	(25)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 20% (2015: 21%)	(3)	(5)
	<hr/>	<hr/>
Origination and reversal of timing differences	(15)	(16)
Reduction in tax rate on deferred tax balances	(14)	-
Depreciation for the period in excess of capital allowances	18	20
Group relief	(16)	(9)
	<hr/>	<hr/>
Total tax income included in profit or loss	(30)	(10)
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future tax charge accordingly.

The deferred tax liability at 31 March 2016 has been calculated based on the substantively enacted rate of 18%.

4 Staff numbers and costs

The company had no direct employees. Directors' remuneration is borne by another group company. The services provided by the directors directly to this company are assessed as minimal and therefore not disclosed. Auditor's remuneration is borne by the parent company.

Notes (continued)

5 Tangible assets

	Leasehold properties £000	Total £000
Cost or valuation		
At beginning and end of year	1,447	1,447
	<hr/>	<hr/>
Provisions		
At beginning of year	335	335
Provided in year	99	99
	<hr/>	<hr/>
At end of year	434	434
	<hr/>	<hr/>
Net book value		
At 31 March 2016	1,013	1,013
	<hr/>	<hr/>
At 31 March 2015	1,112	1,112
	<hr/>	<hr/>

The historical cost of the leasehold properties is £407,000 (2015: £407,000). The aggregate depreciation charged under historical cost accounting for properties held at 31 March 2016 is £434,000 (2015: £335,000).

6 Investment property

	£000
Balance at 1 April 2015	966
Additions	25
	<hr/>
Balance at 31 March 2016	991
	<hr/>

The historical net book value is the same as the valuation. No item of investment property in the year was valued by an external, independent valuer (2015: £nil). The directors value the portfolio every year.

The Investment Property portfolio is valued by the Directors of the company using ERV and yields appropriate to the region in which the property is situated. Benchmarking is undertaken to determine appropriate parameters for the yields used.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

7 Debtors

	2016 £000	2015 £000
Trade debtors	3	-
Other debtors	14	10
Prepayments and accrued income	8	-
	<hr/>	<hr/>
	25	10
	<hr/>	<hr/>

Notes *(continued)*

8 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Amounts owed to group undertakings	1,054	1,105
Taxation and social security	-	6
Accruals and deferred income	14	-
	<hr/>	<hr/>
	1,068	1,111
	<hr/>	<hr/>

Amounts owed to group undertakings are repayable on demand.

9 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Liabilities	
	2016	2015
	£000	£000
Origination and reversal of timing differences	118	147
	<hr/>	<hr/>

We anticipate an immaterial amount of deferred tax to unwind in the next twelve months and the majority to remain until which point the asset is sold. The future deferred tax liability will be impacted by future changes in tax rates not yet substantively enacted.

Notes (continued)

10 Capital and reserves

Share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-
	<u> </u>	<u> </u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Revaluation reserve

Where investment properties have previously been revalued, the net revaluation increase is included in the revaluation reserve.

Dividends

No dividends were proposed after the year end.

11 Related parties

Company

Identity of related parties with which the Company has transacted

As the Company was a wholly owned subsidiary of Soho Estates Limited, who in turn are a wholly owned subsidiary of Soho Estates Holdings Limited at 31 March 2016, the Company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with wholly owned entities which form part of the Group headed by Soho Estates Holdings Limited.

12 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Soho Estates Limited. The ultimate controlling party is Soho Estates Holdings Limited.

The largest Company in which the results of the Company and its Company are consolidated is that headed by Soho Estates Holdings Limited, incorporated in the UK. The smallest Company in which they are consolidated is that headed by Soho Estates Limited, incorporated in the UK. The consolidated financial statements of these Companies are available to the public and may be obtained from the address shown in note 1.

13 Accounting estimates and judgements

Key sources of estimation uncertainty

The directors consider the only areas of estimation uncertainty in the financial statements is the valuation of investment property. This is calculated with reference to market valuations compared to yield which reduces the subjectivity around investments.

Critical accounting judgements in applying the Company's accounting policies

The directors consider that there are no critical accounting judgements (except for those involving estimates included above).

Notes (continued)

14 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

		1 April 2014			31 March 2015		
		Adopted UK GAAP	Effect of transition to FRS 102	FRS 102	Adopted UK GAAP	Effect of transition to FRS 102	FRS 102
	Note	£000	£000	£000	£000	£000	£000
Fixed assets							
Tangible fixed assets	a	1,176	-	1,176	2,078	(966)	1,112
Investment property	a	-	-	-	-	966	966
		<u>1,176</u>	<u>-</u>	<u>1,176</u>	<u>2,078</u>	<u>-</u>	<u>2,078</u>
Current assets							
Debtors (due with one year)		1,976	-	1,976	10	-	10
		<u>1,976</u>	<u>-</u>	<u>1,976</u>	<u>10</u>	<u>-</u>	<u>10</u>
Creditors: amounts due within one year		(1)	-	(1)	(1,111)	-	(1,111)
		<u>1,975</u>	<u>-</u>	<u>1,975</u>	<u>(1,101)</u>	<u>-</u>	<u>(1,101)</u>
Net current assets/(liabilities)							
		<u>1,975</u>	<u>-</u>	<u>1,975</u>	<u>(1,101)</u>	<u>-</u>	<u>(1,101)</u>
Provisions for liabilities:							
Deferred tax	b	-	(163)	(163)	-	(147)	(147)
		<u>3,151</u>	<u>(163)</u>	<u>2,988</u>	<u>977</u>	<u>(147)</u>	<u>830</u>
Net assets							
		<u>3,151</u>	<u>(163)</u>	<u>2,988</u>	<u>977</u>	<u>(147)</u>	<u>830</u>
Capital and reserves							
Called up share capital		-	-	-	-	-	-
Revaluation reserve	b,c	1,008	(163)	845	1,008	(242)	766
Profit and loss account	c	2,143	-	2,143	(31)	95	64
		<u>3,151</u>	<u>(163)</u>	<u>2,988</u>	<u>977</u>	<u>(147)</u>	<u>830</u>
Shareholders' equity							
		<u>3,151</u>	<u>(163)</u>	<u>2,988</u>	<u>977</u>	<u>(147)</u>	<u>830</u>

Notes to the reconciliation of equity

- a) Recognition of investment property under FRS 102.
- b) Under FRS 102, deferred taxation arises where there is a timing difference between base cost and valuation.
- c) Transfer of depreciation to revaluation reserve.

Notes *(continued)*

14 Explanation of transition to FRS 102 from old UK GAAP *(continued)*

Reconciliation of profit for 2015

	<i>Note</i>	UK GAAP £000	2015 Effect of transition to FRS 102 £000	FRS 102 £000
Turnover		115	-	115
Cost of sales		(44)	-	(44)
Gross profit		71	-	71
Administrative expenses		(96)	-	(96)
Loss on ordinary activities before taxation		(25)	-	(25)
Taxation	<i>a</i>	(6)	16	10
Tax on loss on ordinary activities after taxation		(31)	16	(15)

Notes to the reconciliation of profit

- a)* Under FRS 102, deferred taxation arises where there is a timing difference between base cost and valuation.