

COMPANY REGISTRATION NUMBER: 00951055

CLARITY GAZEBO LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 DECEMBER 2016

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CLARITY GAZEBO LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	5	3,298,167	2,778,867
CURRENT ASSETS			
Debtors	6	71,137	61,887
Cash at bank and in hand		33,667	14,011
		<u>104,804</u>	<u>75,898</u>
CREDITORS: amounts falling due within one year	7	<u>3,731,521</u>	<u>3,688,360</u>
NET CURRENT LIABILITIES		<u>3,626,717</u>	<u>3,612,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(328,550)</u>	<u>(833,595)</u>
CREDITORS: amounts falling due after more than one year	8	<u>105,593</u>	<u>133,870</u>
NET LIABILITIES		<u>(434,143)</u>	<u>(967,465)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Fair value reserve		295,243	(224,057)
Profit and loss account		(730,386)	(744,408)
MEMBERS DEFICIT		<u>(434,143)</u>	<u>(967,465)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- 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;
- 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 statement of financial position
continues on the following page.

The notes on pages 4 to 7 form part of these financial statements.

CLARITY GAZEBO LIMITED

STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on and are signed on behalf of the board by:

14/9/2017



Mr W J R White
Director

Company registration number: 00951055

The notes on pages 4 to 7 form part of these financial statements.

CLARITY GAZEBO LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016

	Called up share capital £	Fair value reserve £	Profit and loss account £	Total £
AT 1 JANUARY 2015	1,000	(224,057)	(744,999)	(968,056)
Profit for the year	—	—	591	591
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	591	591
AT 31 DECEMBER 2015	1,000	(224,057)	(744,408)	(967,465)
Profit for the year			533,322	533,322
Other comprehensive income movement				
Reclassification from profit and loss account to fair value reserve for investment property revaluation	—	519,300	(519,300)	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	519,300	14,022	533,322
AT 31 DECEMBER 2016	<u>1,000</u>	<u>295,243</u>	<u>(730,386)</u>	<u>(434,143)</u>

The notes on pages 4 to 7 form part of these financial statements.

CLARITY GAZEBO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Systems House, Central Business Park, Mackadown Lane, Birmingham, B33 0JH.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The significant 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.

Going concern

The financial statements have been prepared on the assumption that the company is able to carry on business as a going concern, which the directors consider appropriate having regard to the circumstances outlined in note 13.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Revenue recognition

Turnover comprises of rents receivable for the year.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

CLARITY GAZEBO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

3. ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Rentals under operating leases are charged on a straight line basis over the term of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Investments

Investment property is included at fair value with gains and losses recognised in the profit and loss account. Fair value is based upon open market value as determined by the directors. Deferred tax is provided on the gains at the rate expected to apply when the property is sold.

Investments in subsidiaries are included at cost less impairment.

Financial instruments

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 entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities.

4. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to 4 (2015: 4).

5. INVESTMENTS

	Shares in group undertakings £	Investment property £	Total £
Cost or valuation			
At 1 January 2016	2,514,607	330,700	2,845,307
Revaluations	—	519,300	519,300
At 31 December 2016	2,514,607	850,000	3,364,607
Impairment			
At 1 Jan 2016 and 31 Dec 2016	66,440	—	66,440

CLARITY GAZEBO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

5. INVESTMENTS *(continued)*

	Shares in group undertakings £	Investment property £	Total £
Carrying amount			
At 31 December 2016	<u>2,448,167</u>	<u>850,000</u>	<u>3,298,167</u>
At 31 December 2015	<u>2,448,167</u>	<u>330,700</u>	<u>2,778,867</u>

6. DEBTORS

	2016 £	2015 £
Trade debtors	<u>61,887</u>	61,887
Other debtors	<u>9,250</u>	—
	<u>71,137</u>	<u>61,887</u>

7. CREDITORS: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	<u>28,095</u>	27,095
Trade creditors	<u>332,696</u>	332,696
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>2,448,167</u>	2,448,167
Corporation tax	<u>3,506</u>	148
Social security and other taxes	<u>3,524</u>	3,524
Other creditors	<u>915,533</u>	876,730
	<u>3,731,521</u>	<u>3,688,360</u>

Included within creditors due within one year are bank loans of £28,095 (2015:£27,095) that are secured by way of a debenture on the bank's standard form as well as a legal charge over the company's investment property.

8. CREDITORS: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	<u>105,593</u>	<u>133,870</u>

Included within creditors due after more than one year are bank loans totalling £105,593 (2015:£133,870) that are secured by the company. Details of the security are given in note 7.

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2015: £20,291) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

CLARITY GAZEBO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

9. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

10. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Later than 5 years	<u>814,000</u>	<u>851,000</u>

11. CONTROLLING PARTY

The company is a subsidiary of Somerley Limited which is the ultimate holding company. Somerley Limited is registered in the Isle of Man.

12. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.

13. GOING CONCERN

The company has received confirmation from its major creditor, Rotadex Systems Limited, that its funding support will continue for the present. On this basis the accounts continue to be prepared on a going concern basis.