

Plymouth City Airport Limited

**Directors' report and financial
statements**

Registered number: 01213405

Year ended 31 March 2016

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Company information

Company registration number	01213405
Registered office	Tin Quay House Sutton Harbour Plymouth PL4 0RA
<i>Directors</i>	Graham S Miller Jason W H Schofield Natasha C Gadsdon
Company secretary	Natasha C Gadsdon
Bankers	National Westminster Bank Plc 14 Old Town Street Plymouth PL1 1DG
Independent auditors	Nexia Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA

Directors' report (continued)

Going concern (continued)

In light of the above and considering the Group's forecast covenant compliance, in the Directors' opinion it remains appropriate to adopt the going concern basis of preparation for these financial statements.

The Directors have obtained a confirmation of support that the intercompany balance will not be requested for repayment unless adequate funds are available whilst enabling the Company to continue to operate as a going concern.

In light of the above and considering the Group's forecast covenant compliance, in the Directors' opinion it remains appropriate to adopt the going concern basis of preparation for these financial statements.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Directors

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

Graham S Miller
Jason W H Schofield
Natasha C Gadsdon

A directors' and officers' liability insurance policy was maintained throughout the financial year.

Market value of land and buildings

In the opinion of the Directors, the market value of the land and buildings of the Company does not significantly exceed the book values of these assets at 31 March 2016.

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 auditors are 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 auditors are aware of that information.

By order of the Board



Natasha C Gadsdon
Company Secretary
03 August 2016

Statement of Directors' responsibilities

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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Jason W H Schofield

Director

03 August 2016

Independent Auditor's Report to the members of Plymouth City Airport Limited

We have audited the financial statements of Plymouth City Airport Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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 4, 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 Financial Reporting Council's (FRC'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 FRC'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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – valuation of inventory

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in the financial statements concerning the potential impact of government reports and future planning permission applications upon the valuation of the airport site, which is held as inventory. The conclusion of these reports and permissions could potentially lead to a material impairment of the airport asset, which currently has a value of £11.721m in the balance sheet. Details of the circumstances relating to this uncertainty are described in note 2 to the financial statements.

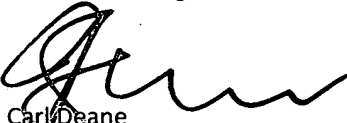
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Carl Deane
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

5 August 2016.

Profit and loss account
for the year ended 31 March 2016

	<i>Note</i>	2016 £000	2015 £000
Revenue		-	-
Cost of Sales		(245)	(340)
Gross loss		(245)	(340)
Operating loss	3	(245)	(340)
Interest payable and similar charges	4	(209)	(174)
Loss on ordinary activities before taxation		(454)	(514)
Tax on loss on ordinary activities	6	22	-
Loss on ordinary activities after taxation	15	(432)	(514)

The Directors are of the opinion that the difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents arising on the revaluation of land and buildings is not material. As such no note of historical cost profits or losses has been presented.

Statement of other comprehensive income
for the year ended 31 March 2016

	2016 £000	2015 £000
Loss for the financial year	(432)	(514)
Total comprehensive loss for the year	(432)	(514)

The notes on pages 10 to 17 form part of these financial statements.

Balance sheet

As at 31 March 2015

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	8	55	121
Current assets			
Stocks	9	11,721	11,569
Trade and other receivables	10	9	20
Cash at bank and in hand		-	-
		<u>11,730</u>	<u>11,589</u>
Trade and other payables: amounts falling due within one year	11	(46)	(4,430)
Net current assets		<u>11,684</u>	<u>7,159</u>
Total assets less current liabilities		<u>11,739</u>	<u>7,280</u>
Trade and other payables: amounts falling due after more than one year	12	(5,559)	(646)
Deferred tax	13	(17)	(39)
Net assets		<u>6,163</u>	<u>6,595</u>
Capital and reserves			
Called up share capital	14	339	339
Revaluation reserve	15	3,969	3,969
Profit and loss account	15	1,855	2,287
Total shareholder's funds		<u>6,163</u>	<u>6,595</u>

The notes on pages 10 to 17 form part of these financial statements.

These financial were approved and authorised for issue by the board of directors on 03 August 2016 and were signed on its behalf by:



Jason W H Schofield
Director

Company number: 01213405

Statement of changes in equity
 for the year ended 31 March 2016

	Share capital £000	Revaluation reserve £000	Profit and loss account £000
At 1 April 2014	339	3,969	2,801
Profit for the year	-	-	(514))
At 31 March 2015	339	3,969	2,287
At 1 April 2015	339	3,969	2,287
Profit for the year	-	-	(432)
At 31 March 2016	339	3,969	1,855

Notes

(forming part of the financial statements)

1 Accounting policies

Plymouth City Airport Limited ("the company") is a limited company incorporated in the United Kingdom under the Companies Act 2006. These financial statements cover the financial year from 1 April 2015 to 31 March 2016, with comparatives for the year 1 April 2014 to 31 March 2015 and are compliant with FRS101.

Basis of preparation

The Company transitioned to FRS 101 for all periods presented. Details of the transition are set out in note 17.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2016.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures,
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16,, 38(a), 38(b), 38(c), 38(d), 40(a), 40(b), 40(c), 40(d), 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Sutton Harbour Holdings plc as at 31 March 2016 and these financial statements may be obtained from the registered office.

Going concern

The Company meets its day to day working capital requirements through intercompany funding and is therefore reliant on bank finance in the form of Group wide term loan and revolving credit facilities. In March 2016, Sutton Harbour Holdings plc and subsidiary companies (the "Group") renewed its banking facilities for three years, with two term loans totalling £22.5m and a £2.5m revolving credit facility.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of the facilities and covenants over a period of at least twelve months from the date of approval of these financial statements.

It has been confirmed that the intercompany balance in place will not be requested for repayment in the foreseeable future.

In light of the above and considering the Group's forecast covenant compliance, in the Directors' opinion it remains appropriate to adopt the going concern basis of preparation for these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis as modified by the fair value of share based payments, financial assets and financial liabilities (including derivative instruments) at fair value through the profit or loss. Investment property and other property are carried at fair value. Non-current assets held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

The functional currency of the Company is pounds sterling and therefore balances are shown in the financial statements in thousands of pounds sterling, unless otherwise stated.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

Notes (continued)

(forming part of the financial statements)

1 Accounting policies (continued)

Revenue

Revenue from property sales is recognised when the significant risks and rewards of ownership and effective control of the asset have passed to the buyer. This will be at the point of legal completion.

Finance costs capitalised

Finance costs that are directly attributable to the construction of tangible fixed assets and development properties are capitalised as part of the costs of those assets.

Fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost, with the exception of property held at a valuation, less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets, except long leasehold land, over their estimated useful economic lives as follows:

Plant and machinery	-	4 to 10 years straight line
Fixtures and fittings	-	4 to 10 years straight line

Properties that are mainly owner occupied and specialised properties are depreciated over their useful economic lives on a straight line basis. The useful economic lives of these properties are estimated to be 50 years. Impairments on fixed assets are estimated by the Directors to reduce the carrying value of certain assets to their recoverable amount. Long leasehold land is not depreciated.

Stocks

Development property

Land identified for development and sale, and properties under construction or development and held for resale, are included in current assets at the lower of cost and net realisable value. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities on a normal operating capacity.

Taxation

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

Current tax is the expected tax payable on the taxable profit 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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is recognised on all temporary differences except on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Financial instruments

Trade and other receivables, trade and other payables and all intercompany balances are financial instruments and are carried at amortised cost.

2 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements that are not readily apparent from other sources. Actual results may differ from these estimates.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas that require the use of estimates and judgement that may impact the Group's balance sheet and income statement:

a) Determining the useful lives of fixed assets.

b) Determining the net realisable value of development property (2016: £11,721,000; 2015: £11,569,000)
Development property comprises the Former Airport Site, a 113 acre site in which the Group holds an unexpired 138 year leasehold interest, is held as development inventory at a carrying value of £11.721m. At each balance sheet date, this carrying value is tested for impairment with the board needing to satisfy itself that the asset is included in inventory at the lower of cost and net realisable value, with net realisable value including developer's return where applicable. The carrying value of £11.721m is derived as follows:

- The land and building asset was independently valued twice yearly until 31 March 2013, when the asset was transferred to development inventory.
- As at 31 March 2013 the land and building asset was transferred to development inventory and combined with the pre-existing inventory total, which included the cost of building the Link Road and planning intellectual property costs.
- It was agreed at 31 March 2013 that the transfer was made at valuation, inclusive of historic revaluations. As at 31 March 2015 the carrying value of the former airport asset is £11.568m, which is inclusive of past revaluations totalling £3.969m. The net increase in former airport asset valuation from 31 March 2013 (£11.479m) to 31 March 2015 (£11.568m) of £89,000 and to 31 March 2016 (£11.721m) of £0.153m represents the capitalised costs of developing the planning intellectual property less the cost attributed to sales of small plots.

Notes (continued)
(forming part of the financial statements)

2 Accounting estimates and judgements (continued)

- Net Realisable Value is estimated with reference to expected net proceeds for the 25% share of 113 acres of land. The mechanism for sharing of net proceeds with the freeholder, Plymouth City Council, is set out in the lease.
- The auditors, Nexia Smith and Williamson, included an Emphasis of Matter paragraph within the 2015 Audit Report due to uncertainty about the impact on Net Realisable Value of the planning process (Plymouth Plan 2017-2031 currently being formulated) and the outcome of a Government Report about the future of Plymouth City Airport which was expected within the 2015/16 financial year, but has been deferred and is still awaited.

The Board has exercised judgement in determining the net realisable value of development property, taking into account expected costs to complete and future sale proceeds, and hence whether any write-down of development property is required. Incorporated in the appraisal of net realisable value are judgements about: disposal revenue and/or investment value at completion; project formulation (including mix of development uses and development density); full development cost; amounts payable to third parties (for example, sharing of proceeds with local authority and repayment of grants in the case of development of the former airport site); financing costs; time value of money; and, allowance for contingency. Included in development inventory is the Former Airport Site and the Secretary of State for Transport has commissioned another report into the viability of re-opening the airport, which is expected to be published within the year. The Local Planning Authority is currently in the process of formulating a new planning policy framework to guide Plymouth's planning strategy for the 2017 to 2031 period. The Group has positioned its representations that the former airport site is ideally suited to the delivery of a range of new uses to Plymouth with significant economic, social and employment benefits. There is uncertainty about the outcome of the government report and planning strategy which, subject to the result, could affect the value and timing of any development of the site. The current carrying value of the asset is based on this strategy. Should the board change its strategy with a view to a shorter term alternative, this may have an effect on the carrying value of the asset. No write down has been included in the current year.

c) Impairments

The Board exercises judgement in identifying cash-generating units and utilises assumptions, which are often subject to uncertainty, in determining the recoverable amount of assets (or cash-generating units) to assess whether an asset (or cash-generating unit) is impaired. In the year fixed assets totalling £66,000 (2015: £100,000) have been impaired.

d) The calculation of deferred tax assets and liabilities (2016: liability of £17,000; 2015: liability of £39,000)

The Group has not recognised deferred tax assets in respect of certain properties due to a high degree of uncertainty of the timing of when the asset may be realised.

3 Operating loss

This is stated after crediting:

	2016 £000	2015 £000
Impairment of tangible fixed assets - owned	66	100

	2016 £000	2015 £000
<i>Auditors' remuneration</i>		
Audit of these financial statements	9	9
Other services relating to taxation	3	3

Notes (continued)
(forming part of the financial statements)

4 Interest payable

	2016 £000	2015 £000
Interest payable on bank loans and overdrafts	-	-
Interest payable on Group balances	209	174
	<u>209</u>	<u>174</u>

5 Staff numbers and costs

The Directors have not been remunerated for their services to the Company in either the current or prior years.

The Company had no employees during the current year (2015: none). However, in the year to 31 March 2016, £57,000 (2015: £80,000) of staff costs were recharged from other Group Companies.

6 Tax on loss on ordinary activities

The tax credit represents:

	2016 £000	2015 £000
<i>Current tax</i>		
UK corporation tax on loss for the year	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
<i>Deferred tax (see note 13)</i>		
Origination and reversal of timing differences	(4)	-
Change in tax rate to 20% (2015: 21%)	2	-
Adjustments in respect of prior years	(20)	-
Total deferred tax	-	-
Tax credit on loss on ordinary activities	<u>(22)</u>	<u>-</u>

The current tax credit for the year is higher (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before taxation	<u>(454)</u>	<u>(514)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	(91)	(108)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	8	12
Origination and reversal of timing differences	(4)	-
Change in tax rate to 20% (2015: 21%)	2	-
Adjustments in respect of prior periods	(20)	-
Group relief claimed	83	96
Tax (credit)/charge for the year	<u>(22)</u>	<u>-</u>

Notes (continued)

(forming part of the financial statements)

Factors that may affect future charges

The reduction in the corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 was enacted on 18 November 2015. As this rate was enacted at the balance sheet date, and reduces the tax rate expected to apply when temporary differences reverse, it has the effect of reducing the UK deferred tax balance.

7 Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: £nil).

8 Tangible assets

	Plant and machinery £000	Total £000
Cost or valuation		
At 1 April 2014	1,679	1,679
Additions	-	-
Impairments	(100)	(100)
Disposal	-	-
At 31 March 2015	1,579	1,579
At 1 April 2015	1,579	1,579
Additions	-	-
Impairments	(66)	(66)
Disposal	-	-
At 31 March 2016	1,513	1,513
Accumulated depreciation		
At 1 April 2014	1,458	1,458
Charge for the year	-	-
Disposal	-	-
At 31 March 2015	1,458	1,458
At 1 April 2015	1,458	1,458
Charge for the year	-	-
Disposal	-	-
At 31 March 2016	1,458	1,458
Net book value		
At 31 March 2015	121	121
At 31 March 2016	55	55

Since the closure of the airport site management took the decision to cease depreciating the remaining cost of plant and machinery given the assets are no longer being used in the business. Management believe the recoverable amount of the assets exceed their carrying value.

9 Stocks

	2016 £000	2015 £000
Development property	11,721	11,569
	11,721	11,569

Development property includes capitalised interest of £146,000 (2015: £118,000). The capitalisation rate used to determine the amount of borrowing cost eligible for capitalisation was 4.4% (2015: 4.4%).

Property relating to the former airport site was transferred to inventory and classified as development property.

Notes (continued)
(forming part of the financial statements)

10 Trade and other receivables

Receivables – falling due within one year

	2016 £000	2015 £000
Other receivables	7	18
Prepayments and accrued income	2	2
	<u>9</u>	<u>20</u>

11 Trade and other payables: amounts falling due within one year

	2016 £000	2015 £000
Trade payables	46	91
Amounts owed to Group undertakings	-	4,337
Accruals and deferred income	-	2
	<u>46</u>	<u>4,430</u>

Amounts owed to Group undertakings are unsecured, and incur interest at the same rate as the Group overdraft facility (see below).

At 31 March 2016 the Group has an agreed bank facility of £25.0million (2015: £22.5million). The facility incurs interest charged at rates over LIBOR during the term of the facilities.

LIBOR rates have been hedged on £15.0million of the £25.0m facility until June 2016 and £10.0m thereafter until March 2019.

Security over the assets of the Group has been given in relation to the bank facilities.

12 Trade and other payables: amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to Group undertakings	4,913	-
Deferred income – government grants	646	646
	<u>5,559</u>	<u>646</u>

Amounts owed to Group undertakings are unsecured, and incur interest at the same rate as the Group overdraft facility

An element of the grant was amortised in previous periods. The grant liability relating to the airport runway and lighting will not be released prior to any future sale of the site.

13 Deferred tax

	Deferred taxation £000
At 1 April 2015	39
Credited to the profit and loss account during the year	(22)
At 31 March 2016	<u>17</u>

Notes (continued)

(forming part of the financial statements)

The elements of deferred tax are as follows:

	2016 £000	2015 £000
Difference between accumulated depreciation and capital allowances	22	39

14 Called up share capital

	2016 £000	2015 £000
<i>Allotted and fully paid</i> 339,100 ordinary shares of £1 each	339	339

15 Description of reserves

Called up share capital

The called up share capital and share premium accounts represent equity share capital.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings previously included within property, plant and equipment.

Profit and loss account

The profit and loss account represents retained profits.

16 Contingent liabilities

The Company has given an unlimited guarantee in respect of bank borrowings of all group companies. At 31 March 2016, these borrowings amounted to £22,500,000 (2015: £21,650,000).

17 Transition to FRS101

For all periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with the previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 March 2016, are the first the Company has prepared in accordance with FRS101.

Accordingly, the Company has prepared individual financial statements which comply with FRS101 applicable for periods beginning on or after 1 April 2014. The policies applied under the Company's previous accounting framework are not materially different to FRS101 and there has been no impact on equity or profit or loss.

18 Ultimate parent undertaking

The Company's immediate parent undertaking is Sutton Harbour Projects (No. 2) Limited, which is a wholly owned subsidiary of Sutton Harbour Holdings plc. Therefore the ultimate parent undertaking and ultimate controlling party is Sutton Harbour Holdings plc, which is registered in England and Wales. The smallest and largest group of undertakings for which group financial statements have been drawn up is that headed by Sutton Harbour Holdings plc. Copies of the accounts can be obtained from the registered office, Tin Quay House, Sutton Harbour, Plymouth, Devon, PL4 0RA.