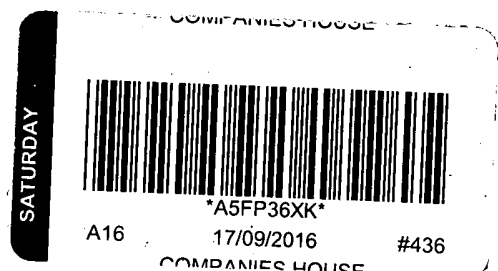


Company Registration No. 01730295 (England and Wales)

**TBE (SOUTHERN) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



# TBE (SOUTHERN) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J W Lloyd B A Lloyd A E Lloyd A G Silcock C L Walker-Robson B Meehan
<b>Secretary</b>	M A Avis
<b>Company number</b>	01730295
<b>Registered office</b>	2nd Floor The Atrium 31 Church Road Ashford Middlesex TW15 2UD
<b>Auditor</b>	Mercer & Hole 72 London Road St Albans Hertfordshire AL1 1NS

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# TBE (SOUTHERN) LIMITED

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# **TBE (SOUTHERN) LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report for the year ended 31 December 2015.

### **Fair review of the business**

The company's principal activity during the year continued to be property investment.

The company recorded outstanding results for the year with net profits totalling £1,567k, an increase of £443k from the previous year. Included in the profit figure is a gain of £623k on the sale of an investment, SHIPS 14. In addition, dividends and profit shares of £299k were received in the year. Other contributory factors were lower costs of rentals, administrative costs and interest payments. The reduction in rental income of £264k following the sale of one of the properties, The Atrium, in October 2014 was offset by increased rents of £187k from the remaining properties.

The decrease in interest payments were due to large loan repayments made to JWLPF which arose from the sale of 2 properties in August 2014 previously owned by AETCO, a subsidiary of TBE.

The demand for rental spaces has remained buoyant with 94% occupancy throughout the portfolio. Rents are being eased up with substantial increases being recorded in some properties.

The properties were revalued by the directors at the year-end which resulted in an uplift in the values of £4,299k. The booming property market in East London has resulted in substantial capital appreciation and increases in rents. During the year £200k capital improvements were made to Shacklewell Lane. This is part of a continuous refurbishment programme for the buildings that is required for general updating purposes and the need to accommodate new tenants. There are also long term plans to modernise this property.

Several investments were made in the year totalling £3,803k, among which new investments in Spanish and American property funds and a technology start-up venture.

All the above resulted in an increase in the net asset value of £5,188k.

The directors remain confident for the coming year as the space continues to attract increased interest. It is anticipated that the new rates reliefs for small businesses that come into force next year may further boost demand for smaller suites. The objective to provide good value spaces is expected to ensure good occupancy in the future.

### **Principal risks and uncertainties**

The principal risk to the business is the level of economic activity. The company's tenants are mainly private businesses in the manufacturing or service industry. Any downturn in the economy that will impact on their businesses will directly affect the company.

On behalf of the board



J.W. Lloyd  
Director

8 July 2016

# **TBE (SOUTHERN) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

---

The directors present their annual report and financial statements for the year ended 31 December 2015.

#### **Principal activities**

The principal activity of the company is property investment, either by way of direct investment or partnership. The profit on ordinary activities for the year before taxation was £6,216,338 (year to 31 December 2014: £694,739 restated). The results for the company as for any investment property company are dependant on the levels of disposals in the year and outside influences beyond the control of the directors such as interest rates, market rentals and fluctuations in commercial property values.

#### **Directors**

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

J W Lloyd  
B A Lloyd  
A E Lloyd  
A G Silcock  
C L Walker-Robson  
B Meehan

#### **Results and dividends**

The results for the year are set out on page 6.

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

#### **Auditor**

The auditor, Mercer & Hole, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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;
- 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.

# TBE (SOUTHERN) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**


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### Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

  
.....  
J W Lloyd  
Director  
8 July 2016

# **TBE (SOUTHERN) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF TBE (SOUTHERN) LIMITED**

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We have audited the financial statements of TBE (Southern) Limited for the year ended 31 December 2015 set out on pages 6 to 26. 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 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 pages 2 - 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 December 2015 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.

#### **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.

# **TBE (SOUTHERN) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TBE (SOUTHERN) LIMITED**

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### **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.



**Paul Webster FCA (Senior Statutory Auditor)**  
for and on behalf of Mercer & Hole

**Chartered Accountants**  
**Statutory Auditor**

*18 July 2016*

72 London Road  
St Albans  
Hertfordshire  
AL1 1NS



# TBE (SOUTHERN) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	Notes	£	as restated £
Turnover		1,002,702	1,116,368
Cost of sales		(148,420)	(154,287)
<b>Gross profit</b>		<b>854,282</b>	<b>962,081</b>
Administrative expenses		(278,850)	(555,095)
<b>Operating profit</b>	<b>3</b>	<b>575,432</b>	<b>406,986</b>
Interest receivable and similar income	<b>4</b>	436,713	301,326
Interest payable and similar charges	<b>5</b>	(67,622)	(264,978)
Gains on disposal of investments	<b>6</b>	623,041	-
Fair value gains and losses on investment properties		4,648,774	251,405
<b>Profit before taxation</b>		<b>6,216,338</b>	<b>694,739</b>
Taxation	<b>7</b>	(1,028,175)	(158,277)
<b>Profit for the financial year</b>		<b>5,188,163</b>	<b>536,462</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>5,188,163</b>	<b>536,462</b>

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

# TBE (SOUTHERN) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Investment properties	8	16,550,000		11,700,000	
Investments	9	8,735,102		5,920,456	
		<u>25,285,102</u>		<u>17,620,456</u>	
<b>Current assets</b>					
Debtors falling due after one year	13	2,652,812		4,601,115	
Debtors falling due within one year	13	524,915		376,950	
Cash at bank and in hand		4,405		5,051	
		<u>3,182,132</u>		<u>4,983,116</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(470,013)</u>		<u>(557,525)</u>	
<b>Net current assets</b>		<u>2,712,119</u>		<u>4,425,591</u>	
<b>Total assets less current liabilities</b>		<u>27,997,221</u>		<u>22,046,047</u>	
<b>Creditors: amounts falling due after more than one year</b>	15	(2,000,000)		(2,000,000)	
<b>Provisions for liabilities</b>	18	(2,188,434)		(1,425,423)	
<b>Net assets</b>		<u><u>23,808,787</u></u>		<u><u>18,620,624</u></u>	
<b>Capital and reserves</b>					
Called up share capital	20	7,100,000		7,100,000	
Revaluation reserve	21	9,888,663		5,969,912	
Profit and loss reserves		6,820,124		5,550,712	
<b>Total equity</b>		<u><u>23,808,787</u></u>		<u><u>18,620,624</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 8 July 2016 and are signed on its behalf by:

  
J W Lloyd  
Director

Company Registration No. 01730295

# TBE (SOUTHERN) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2014</b>		7,100,000	5,629,215	5,354,947	18,084,162
<b>Year ended 31 December 2014:</b>					
Profit and total comprehensive income for the year		-	-	536,462	536,462
Transfers		-	340,697	(340,697)	-
<b>Balance at 31 December 2014</b>		7,100,000	5,969,912	5,550,712	18,620,624
<b>Year ended 31 December 2015:</b>					
Profit and total comprehensive income for the year		-	-	5,188,163	5,188,163
Transfers		-	3,918,751	(3,918,751)	-
<b>Balance at 31 December 2015</b>		7,100,000	9,888,663	6,820,124	23,808,787

# TBE (SOUTHERN) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	2,205,224		3,705,977	
Interest paid		(67,622)		(264,978)	
Income taxes paid		(182,130)		(132,871)	
<b>Net cash inflow from operating activities</b>		<b>1,955,472</b>		<b>3,308,128</b>	
<b>Investing activities</b>					
Purchase of investment property		(201,226)		(48,595)	
Proceeds on disposal of investment property		-		4,150,000	
Purchase of subsidiaries		(10,850)		-	
Purchase of fixed asset investments		(3,803,796)		(857,742)	
Proceeds on disposal of fixed asset investments		1,623,041		1	
Interest received		33,873		40,947	
Dividends received		384,587		286,129	
Other investment income received		18,253		(25,750)	
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,956,118)</b>		<b>3,544,990</b>	
<b>Financing activities</b>					
Repayment of borrowings		-		(6,860,827)	
<b>Net cash used in financing activities</b>		<b>-</b>		<b>(6,860,827)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(646)</b>		<b>(7,709)</b>	
Cash and cash equivalents at beginning of year		5,051		12,760	
<b>Cash and cash equivalents at end of year</b>		<b>4,405</b>		<b>5,051</b>	

# **TBE (SOUTHERN) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

---

#### **1 Accounting policies**

##### **Company information**

TBE (Southern) Limited is a company limited by shares incorporated in England and Wales. The registered office is 2nd Floor The Atrium, 31 Church Road, Ashford, Middlesex, TW15 2UD.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of TBE (Southern) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

TBE (Southern) Limited is a wholly owned subsidiary of JWL Property Finance Ltd and the results of TBE (Southern) Limited are included in the consolidated financial statements of JWL Property Finance Ltd which are available from 78 Ladbroke Road, W11 3NU.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover represents amounts receivable from property rental and was derived from activities carried out in the United Kingdom. Turnover is recognised in the period in which rentals fall due.

##### **1.4 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

##### **1.5 Fixed asset investments**

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

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

---

### 1 Accounting policies

(Continued)

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

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

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

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

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

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

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

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

##### ***Derecognition of financial assets***

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

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

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

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

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

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

#### *Current tax*

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

#### *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.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

### 1.10 Foreign exchange

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

## 2 Judgements and key sources of estimation uncertainty

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.

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.

## 3 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	44,589	372,744
Fees payable to the company's auditor for the audit of the company's financial statements	14,900	11,950



# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 4 Interest receivable and similar income

	2015 £	2014 £
<b>Interest income</b>		
Interest on bank deposits	909	1,102
Interest receivable from group companies	32,964	35,572
Other interest income	-	4,273
<b>Total interest revenue</b>	<b>33,873</b>	<b>40,947</b>
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	384,587	286,129
Income from participating interests - joint ventures	18,253	(25,750)
<b>Total income</b>	<b>436,713</b>	<b>301,326</b>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	909	1,102

### 5 Interest payable and similar charges

	2015 £	2014 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	67,622	264,978

### 6 Gains on disposal of investments

	2015 £	2014 £
Gain on disposal of fixed asset investments	623,041	-

### 7 Taxation

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	266,831	80,129

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7	Taxation	(Continued)	
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	32,988	(1,232)
	Adjustment in respect of prior periods	(1,667)	-
	Other adjustments	730,023	79,380
	Total deferred tax	761,344	78,148
	Total tax charge	1,028,175	158,277

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	6,216,338	694,739
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	1,258,808	149,321
Tax effect of expenses that are not deductible in determining taxable profit	111,777	97,126
Tax effect of income not taxable in determining taxable profit	(1,113,767)	(33,781)
Gains not taxable	-	(34,556)
Adjustments in respect of prior years	(1,667)	(89)
Permanent capital allowances in excess of depreciation	-	(2,716)
Effect of revaluations of investments	2,430,038	-
Deferred tax adjustments in respect of prior years	(1,608,277)	-
Dividend income	(48,737)	(40,607)
Transition adjustments	-	23,579
Tax expense for the year	1,028,175	158,277

8	Investment property	2015 £
	<b>Fair value</b>	
	At 1 January 2015	11,700,000
	Additions through external acquisition	201,226
	Net gains or losses through fair value adjustments	4,648,774
	At 31 December 2015	16,550,000

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 8 Investment property

(Continued)

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2015 by CNC Property Fund Management Limited, who are connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties and was performed by a member of the Royal Institution of Chartered Surveyors. No independent valuation has been performed at the year end.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2015 £	2014 £
Cost	4,559,252	4,313,236
Accumulated depreciation	-	-
Carrying amount	4,559,252	4,313,236

### 9 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	10	262,193	251,343
Unlisted investments		8,472,909	5,669,113
		8,735,102	5,920,456

#### Movements in fixed asset investments

	Investments in subsidiaries £	Other investments other than loans £	Total £
<b>Cost or valuation</b>			
At 1 January 2015	251,343	5,669,113	5,920,456
Additions	10,850	3,803,796	3,814,646
Disposals	-	(1,000,000)	(1,000,000)
At 31 December 2015	262,193	8,472,909	8,735,102
<b>Carrying amount</b>			
At 31 December 2015	262,193	8,472,909	8,735,102
At 31 December 2014	251,343	5,669,113	5,920,456

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Deanhill Estates	England	Property Investments	Partnership	57.14
Ailesbury Estates TBE Limited	Republic of Ireland	Property Investment and Development	Ordinary	80.00
Nameco (No.803) Limited	England	Lloyd's Corporate Capital Member	Ordinary	100.00
Nameco (No.415) Limited	England	Lloyd's Corporate Capital Member	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Deanhill Estates	1,123,933	6,241,917
Ailesbury Estates TBE Limited	1,118,576	2,122,336
Nameco (No.803) Limited	110,390	169,902
Nameco (No.415) Limited	115,194	173,958

The investments in subsidiaries are all stated at cost. The financial information for Nameco (No. 803) Limited and Nameco (No.418) Limited is based on the latest financial information.

### 11 Significant undertakings

The company also has significant holdings in undertakings which are not consolidated:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
GO Cross Holdings LP	England	Property Investment	Partnership	26.90

The aggregate capital and reserves and the result for the year of significant undertakings noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
GO Cross Holdings LP	(345,952)	4,541,960

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 12 Financial instruments

	2015 £	2014 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,174,515	4,975,266
Equity instruments measured at cost less impairment	8,735,102	5,920,456
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,650	91,814
	<u>          </u>	<u>          </u>

### 13 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year:</b>		
Trade debtors	164,647	153,542
Other debtors	357,056	220,609
Prepayments and accrued income	3,212	2,799
	<u>          </u>	<u>          </u>
	524,915	376,950
	<u>          </u>	<u>          </u>
<b>Amounts falling due after one year:</b>		
Amounts due from fellow group undertakings	2,652,812	4,601,115
	<u>          </u>	<u>          </u>
<b>Total debtors</b>	<u>3,177,727</u>	<u>4,978,065</u>

### 14 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Trade creditors		2,508	-
Corporation tax		110,253	27,219
Other taxation and social security		36,445	107,450
Deferred income	19	227,455	179,121
Other creditors		1,142	91,814
Accruals and deferred income		92,210	151,921
		<u>          </u>	<u>          </u>
		470,013	557,525
		<u>          </u>	<u>          </u>

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 15 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Other borrowings	16	2,000,000	2,000,000

### 16 Loans and overdrafts

	2015 £	2014 £
Loans from group undertakings	2,000,000	2,000,000
Payable after one year	2,000,000	2,000,000

### 17 Provisions for liabilities

	2015 £	2014 £
Deferred tax liabilities	2,188,434	1,425,423
	2,188,434	1,425,423

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2015 £	Liabilities 2014 £
Accelerated capital allowances	71,479	53,359
Revaluations	2,102,087	1,372,064
Short term timing differences	14,868	-
	2,188,434	1,425,423

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 18 Deferred taxation (Continued)

	2015 £
<b>Movements in the year:</b>	
Liability at 1 January 2015	1,425,423
Charge to profit or loss	763,011
	<u>2,188,434</u>
Liability at 31 December 2015	<u>2,188,434</u>

The deferred tax liability set out above is expected to reverse on sale of the relevant investment properties, this is not expected to occur within 12 months.

### 19 Deferred income

	2015 £	2014 £
Other deferred income	227,455	179,121
	<u>227,455</u>	<u>179,121</u>

### 20 Share capital

	2015 £	2014 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
7,100,000 Ordinary shares of £1 each	7,100,000	7,100,000
	<u>7,100,000</u>	<u>7,100,000</u>

### 21 Revaluation reserve

The revaluation reserve is made up of the cumulative fair value adjustments of investment properties. These gains and losses are not taxable but give rise to a deferred tax liability.

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 22 Operating lease commitments

#### Lessor

The company owns 4 investments properties for rental purposes. Rental income earned during the year was £911,088 and direct operating expenses arising on the properties in the period was £148,420. 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:

	2015 £	2014 £
Within one year	778,164	731,761
Between two and five years	722,765	963,275
In over five years	226,493	267,744
	<u>1,727,422</u>	<u>1,962,780</u>

### 23 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability at the year end of £25,000.

At the year end the company had committed to a further £2,442,656 (2014: 1,442,250) of funding towards its investments, this can be called upon at any. This will be funded by calling against the related party loans.



# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 24 Related party transactions

##### Remuneration of key management personnel

There was no remuneration of key management personnel during the year.

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchase of goods			
	2015	2014		
	£	£		
Entities with control, joint control or significant influence over the company	76,000	76,000		
Other related parties	75,400	28,600		
	<u>151,400</u>	<u>104,600</u>		
	Interest paid		Interest received	
	2015	2014	2015	2014
	£	£	£	£
Entities with control, joint control or significant influence over the company	67,622	264,978	-	-
Entities over which the entity has control, joint control or significant influence	-	-	-	4,273
	<u>67,622</u>	<u>264,978</u>	<u>-</u>	<u>4,273</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2015	2014
	£	£
Entities with control, joint control or significant influence over the company	2,035,460	2,053,262
	<u>2,035,460</u>	<u>2,053,262</u>

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 24 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2015 £	2014 £
Entities over which the entity has control, joint control or significant influence	2,652,811	4,601,115
Other related parties	354,555	205,410
	<u>3,007,366</u>	<u>4,806,525</u>

No guarantees have been given or received.

### 25 Controlling party

The company's ultimate parent company is JWL Property Finance Limited, a company incorporated in England & Wales.

The company's ultimate controlling party is J W Lloyd.

The only group which the company is consolidated into is that of JWL Property Finance Limited.

### 26 Cash generated from operations

	2015 £	2014 £
Profit for the year after tax	5,188,163	536,462
<b>Adjustments for:</b>		
Taxation charged	1,028,175	158,277
Finance costs	67,622	264,978
Investment income	(436,713)	(301,326)
Fair value gains and losses on investment properties	(4,648,774)	(251,405)
Gain on sale of investments	(623,041)	-
<b>Movements in working capital:</b>		
Decrease in debtors	1,800,338	3,166,831
(Decrease) in creditors	(218,880)	(46,961)
Increase in deferred income	48,334	179,121
<b>Cash generated from operations</b>	<u>2,205,224</u>	<u>3,705,977</u>

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 27 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

#### Reconciliation of equity

	Notes	At 1 January 2014			At 31 December 2014		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>							
Investment properties		15,550,000	-	15,550,000	11,700,000	-	11,700,000
Investments	3	4,811,372	251,343	5,062,715	5,669,113	251,343	5,920,456
		<u>20,361,372</u>	<u>251,343</u>	<u>20,612,715</u>	<u>17,369,113</u>	<u>251,343</u>	<u>17,620,456</u>
<b>Current assets</b>							
Debtors due after one year	3	7,621,458	(167,788)	7,453,670	4,760,685	(159,570)	4,601,115
Debtors due within one year		691,226	-	691,226	376,950	-	376,950
Bank and cash		12,760	-	12,760	5,051	-	5,051
		<u>8,325,444</u>	<u>(167,788)</u>	<u>8,157,656</u>	<u>5,142,686</u>	<u>(159,570)</u>	<u>4,983,116</u>
<b>Creditors due within one year</b>							
Taxation		(117,868)	-	(117,868)	(134,669)	-	(134,669)
Other creditors		(360,238)	-	(360,238)	(243,735)	-	(243,735)
Deferred income		-	-	-	(179,121)	-	(179,121)
		<u>(478,106)</u>	<u>-</u>	<u>(478,106)</u>	<u>(557,525)</u>	<u>-</u>	<u>(557,525)</u>
<b>Net current assets</b>		<u>7,847,338</u>	<u>(167,788)</u>	<u>7,679,550</u>	<u>4,585,161</u>	<u>(159,570)</u>	<u>4,425,591</u>
<b>Total assets less current liabilities</b>		<u>28,208,710</u>	<u>83,555</u>	<u>28,292,265</u>	<u>21,954,274</u>	<u>91,773</u>	<u>22,046,047</u>
<b>Creditors due after one year</b>							
Loans and overdrafts		(8,860,827)	-	(8,860,827)	(2,000,000)	-	(2,000,000)
<b>Provisions for liabilities</b>							
Deferred tax	2	(54,591)	(1,292,685)	(1,347,276)	(53,359)	(1,372,064)	(1,425,423)
<b>Net assets</b>		<u>19,293,292</u>	<u>(1,209,130)</u>	<u>18,084,162</u>	<u>19,900,915</u>	<u>(1,280,291)</u>	<u>18,620,624</u>

# TBE (SOUTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 27 Reconciliations on adoption of FRS 102

(Continued)

		At 1 January 2014			At 31 December 2014		
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
Notes		£	£	£	£	£	£
<b>Capital and reserves</b>							
Share capital		7,100,000	-	7,100,000	7,100,000	-	7,100,000
Revaluation reserve	2	6,921,900	(1,292,685)	5,629,215	7,341,975	(1,372,063)	5,969,912
Profit and loss	3	5,271,392	83,555	5,354,947	5,458,940	91,772	5,550,712
Total equity		19,293,292	(1,209,130)	18,084,162	19,900,915	(1,280,291)	18,620,624

#### Reconciliation of profit or loss for the year

	Notes	Year ended 31 December 2014		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		1,116,368	-	1,116,368
Cost of sales		(154,287)	-	(154,287)
Gross profit		962,081	-	962,081
Administrative expenses	3	(527,742)	(27,353)	(555,095)
Income from shares in group undertakings		286,129	-	286,129
Income from participating interests		(25,750)	-	(25,750)
Interest receivable and similar income	3	5,375	35,572	40,947
Interest payable and similar charges		(264,978)	-	(264,978)
Fair value gains and losses on investment properties	1	-	251,405	251,405
Profit before taxation		435,115	259,624	694,739
Taxation	2	(78,897)	(79,380)	(158,277)
Profit for the financial period		356,218	180,244	536,462

#### Notes to reconciliations on adoption of FRS 102

##### 1. Revaluation of Investment Properties

Investment properties are now recognised at fair value at the end of the year with changes in fair value recognised in profit and loss. Previously changes in fair value would be recognised in the statement of total recognised gains and losses.

##### 2. Deferred Tax on Revaluation Reserve

Deferred tax is now recognised on the fair value adjustments on investment property.

# **TBE (SOUTHERN) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **27 Reconciliations on adoption of FRS 102**

**(Continued)**

#### **3. Long term loans**

Long term loans are now treated as financial instruments, as such they must be measured at amortised cost. As there is an interest free loan in the year the difference between the amount loaned and the present value of the future cash flows is recognised as an investment in subsidiaries. Each year a deemed interest charge is recognised in the accounts.