

**Campmoss Property Company Limited**

**Directors' report and financial statements**

**Registered number 2090479**

**30 September 2016**

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## Contents

	Page
Strategic report	1
Directors' report	2
Statement of directors' responsibilities in respect of the strategic report, the directors' report and financial statements	3
Independent auditor's report to the members of Campmoss Property Company Limited	4
Profit and Loss Account and Other Comprehensive Income	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

## Strategic report

### Principal activities

The company's principal activity is that of property investment and development.

### Business review

The company holds investment properties in Bracknell, Burnham, Maidenhead and Woking.

The company has two wholly owned subsidiaries, Campmoss Property Developments Limited ("Developments") and Campmoss Property (Tangley Place) Limited ("Tangley Place").

The principal activity of Developments is that of property development. In the year to 30 September 2016 Developments sold a further 12 apartments of the 18-apartment development acquired in the previous year. The 3 remaining apartments which are tenanted are actively being marketed for sale.

At Tangley Place, Worplesdon, the 78-bedroom care home, completed in August 2014 continued to be occupied by an established UK based care home operator on a long-term lease. A contract to sell the property for a cash consideration of £15.85m was signed in March 2016. Completion of the sale may take place at any time up to August 2017. As a result of this contract the accounting policy for turnover has been expanded such that when the period between exchange and completion exceeds 120 days the sale is recognised on receipt of due notice rather than on exchange.

The results for the year are shown on page 6.

By order of the board



**J R Wollenberg**  
Director

Registered Office  
3 Assembly Square  
Britannia Quay  
Cardiff Bay  
CF10 4AX

29 November 2016

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2016.

### Proposed dividend

The directors do not recommend the payment of a dividend in respect of the financial year ended 30 September 2016 (2015: £nil).

### Employees

The Company had one employee during the year (2015: one).

### Directors

The directors who held office during the year were as follows:

ER Goodwin  
JR Wollenberg

### Political contributions

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

### Provision of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, as 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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company 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.

By order of the board



J R Wollenberg  
Director

Registered Office  
3 Assembly Square  
Britannia Quay  
Cardiff Bay  
CF10 4AX

29 November 2016

## **Statement of directors' responsibilities in respect of the strategic report, the directors' report and financial statements**

The directors are responsible for preparing the Strategic Report, 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 Campmoss Property Company Limited**

We have audited the financial statements of Campmoss Property Company Limited for the year ended 30 September 2016 set out on pages 6 to 19. 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](http://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 30 September 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 matter prescribed by the Companies Act 2006**

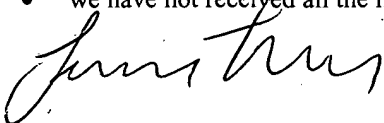
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Campmoss Property Company Limited (continued)**

### **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.



**Jeremy Thomas (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

29 November 2016

**Profit and loss account**  
*for the year ended 30 September 2016*

	Note	2016 £	2015 £
<b>Turnover</b>	2	<b>1,626,228</b>	<b>1,475,762</b>
Cost of sales		(1,598,153)	(1,027,013)
<b>Gross profit</b>		<b>28,075</b>	<b>448,749</b>
Administrative expenses		(183,316)	(150,241)
Other operating income		82,014	-
<b>Operating (loss)/profit before gains on investment properties</b>		<b>(73,227)</b>	<b>298,508</b>
Profit on sale of investment property		40,390	10,799
Surplus on revaluation on investment properties		1,209,200	2,251,663
<b>Operating profit</b>		<b>1,176,363</b>	<b>2,560,970</b>
Interest receivable and similar income		7,444	3,541
Interest payable and similar charges	3	(187,066)	(249,428)
<b>Profit before taxation</b>	2-4	<b>996,741</b>	<b>2,315,083</b>
Taxation	5	(27,609)	(229,727)
<b>Profit for the financial year</b>		<b>969,132</b>	<b>2,085,356</b>

**Other Comprehensive Income**  
*for the year ended 30 September 2016*

Profit for the financial year	969,132	2,085,356
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>969,132</b>	<b>2,085,356</b>



**Balance sheet**  
*at 30 September 2016*

	Note	£	2016	£	£	2015	£
<b>Fixed assets</b>							
Investment properties	6		19,817,281			18,650,000	
Tangible assets	7		1,228			3,685	
Investments	8		4			4	
			<hr/>			<hr/>	
			19,818,513			18,653,689	
<b>Current assets</b>							
Debtors	9	4,412,884			6,456,860		
Cash at bank and in hand		1,421,501			116,333		
		<hr/>			<hr/>		
			5,834,385		6,573,193		
<b>Creditors amounts falling due within one year</b>	10	(6,601,444)			(9,681,701)		
		<hr/>			<hr/>		
<b>Net current liabilities</b>			(767,059)			(3,108,508)	
			<hr/>			<hr/>	
<b>Total assets less current liabilities</b>			19,051,454			15,545,181	
<b>Creditors: amounts falling due after more than one year</b>	11	(2,500,000)				-	
<b>Provisions for liabilities and charges</b>	12	(821,435)				(784,294)	
		<hr/>				<hr/>	
<b>Net assets</b>			15,730,019			14,760,887	
			<hr/>			<hr/>	
<b>Capital and reserves</b>							
Called up share capital	13	1,050,000				1,050,000	
Revaluation Reserve (non-distributable)		562,686				(560,493)	
Profit and loss account		14,117,333				14,271,380	
		<hr/>				<hr/>	
<b>Shareholders' funds - equity</b>			15,730,019			14,760,887	
			<hr/>			<hr/>	

These financial statements were approved by the board of directors on 29 November 2016 and were signed on its behalf by:

  
R Wollenberg  
Director

Company registered number: 2090479

The accompanying notes on pages 9 – 19 are an integral part of the Financial Statements.

Campmoss Property Company Limited  
Directors' report and financial statements  
30 September 2016

**Statement of Changes in Equity**

	<b>Called up Share capital</b>	<b>Profit and loss account</b>	<b>Non- distributable</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 October 2014	1,050,000	14,351,667	(2,726,136)	12,675,531
Profit for the financial year	-	(166,307)	2,251,663	2,085,356
Transfers	-	86,020	(86,020)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the financial year	-	(80,287)	2,165,643	2,085,356
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2015	1,050,000	14,271,380	(560,493)	14,760,887
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>Called up Share capital</b>	<b>Profit and loss account</b>	<b>Non- distributable</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 October 2015	1,050,000	14,271,380	(560,493)	14,760,887
Profit for the financial year	-	(240,068)	1,209,200	969,132
Transfer	-	86,021	(86,021)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the financial year	-	(154,047)	1,123,179	969,132
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2016</b>	<b>1,050,000</b>	<b>14,117,333</b>	<b>562,686</b>	<b>15,730,019</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 9 – 19 are an integral part of the Financial Statements.

## Notes

(forming part of the financial statements)

### 1. Accounting policies

Campmoss Property Company 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.

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 17.

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:

Lease arrangements – in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at transition date rather than commencement date of the arrangement.

The company has not prepared a cash flow statement as it is exempt on the grounds of its size.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

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 18.

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

#### **Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the company will continue to meet its liabilities as they fall due. Whilst the company has net current liabilities of £0.8m, this includes balances owed to wholly owned subsidiaries of £2.0m which will not be repaid unless funds are available as well as a £1.5m loan from The Cardiff Property plc. The Campmoss group is a joint venture of The Cardiff Property plc, who have made available a facility of £2.5m until September 2017, of which £1.5m was drawn at 30 September 2016. Contracts have exchanged for the sale of Tangley Place for £15.85m to complete by August 2017 as well as Brickfields, in November 2016, for £3.7m.

Therefore the directors believe that the company has sufficient financial resources to enable it to continue to trade, to complete the current maintenance and development programme and to continue in operational existence for the foreseeable future. As a consequence, the directors believe that the company is well placed to manage its business risks successfully and, accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## **Notes (continued)**

### ***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.

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

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, 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. No depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 of FRS102 until a reliable measure of fair value becomes available.

#### ***Revaluation reserve***

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve, which is non-distributable.

#### ***Turnover***

Turnover represents rent receivable from tenants and proceeds from the sale of development properties previously held as stock. All turnover is derived from the United Kingdom.

Rental income is recognised in the profit and loss account on a straight-line basis over the expected total lease period. Payments due on early terminations of lease agreements are recognised in the profit and loss account of the period in which the termination payment becomes unconditional. Proceeds from the sale of development properties are included in turnover when exchanged contracts become unconditional.

#### ***Interest receivable and Interest payable***

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

## Notes (continued)

### 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. 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

	2016 £	2015 £
Rental income	1,626,228	1,475,762
Total turnover	<u>1,626,228</u>	<u>1,475,762</u>

### 3. Expenses and auditor's remuneration

	2016 £	2015 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditor's remuneration – audit of these financial statements	9,950	9,000
- other services relating to taxation	-	4,475
	<u>9,950</u>	<u>13,475</u>
Bank interest payable	163,963	249,428
Interest payable to The Cardiff Property plc (see note 16)	23,103	325
	<u>187,066</u>	<u>249,753</u>
Total interest payable	<u>187,066</u>	<u>249,753</u>

### 4. Staff numbers and costs of key management personnel

Key management personnel costs totalled £115,000 (2015: £100,000). The company had one other employee at 30 September 2016 (2015: 1). The payroll costs of this person were £39,000 (2015: £40,189).

## Notes (continued)

### 5. Tax on profit on ordinary activities

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profit for the year	-	25,849
Adjustment relating to prior years	(9,532)	(8,658)
	<u>(9,532)</u>	<u>17,191</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(53,914)	4,126
Adjustment relating to prior years	5,380	-
Revaluation of investment property	85,675	208,410
	<u>27,609</u>	<u>229,727</u>
<b>Tax on profit on ordinary activities</b>	<u>27,609</u>	<u>229,727</u>
	2016 £	2015 £
<b>Total tax reconciliation</b>		
Profit on ordinary activities before tax	996,741	2,315,083
	<u>996,741</u>	<u>2,315,083</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.5%)	199,348	474,592
<i>Effects of:</i>		
Non-deductible expenses	68	-
Effect of tax rate change	(57,157)	(53,684)
Group relief given without charge	28,463	-
Adjustments relating to prior years	(4,152)	(8,658)
Permanent differences on investment properties	(138,961)	(182,523)
	<u>27,609</u>	<u>229,727</u>
<b>Total tax charge for the year</b>	<u>27,609</u>	<u>229,727</u>

#### Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 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. Further reductions to 17% (effective 1 April 2020) were substantively enacted on 6 September 2016.

This will reduce the company's future current tax charge accordingly and reduce the deferred tax balances at 30 September 2016 (which has been calculated based on the rate of 18% as a blended rate of the substantively enacted rates at the balance sheet date).

## Notes (continued)

### 6. Investment properties

	Freehold properties £
At 30 September 2015	18,650,000
Disposal	(349,200)
Additions	307,281
Revaluation in the year	1,209,200
	<hr/>
At 30 September 2016	19,817,281
	<hr/>
Historical cost net book value	19,254,595
	<hr/>

The cumulative amount of arrangement fees and interest capitalised within investment properties at 30 September 2016 was £936,520 (2015: £936,520).

At 30 September 2016 properties were included at directors' valuation on the basis of open market value and having regard to the properties yields. The valuations are supported by reference to third party knowledge if required.

### 7. Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At beginning of year	23,838
Additions	-
	<hr/>
At end of year	23,838
	<hr/>
<b>Depreciation</b>	
At beginning of year	(20,153)
Charge for the year	(2,457)
	<hr/>
At end of year	(22,610)
	<hr/>
<b>Net book value</b>	
At 30 September 2016	1,228
	<hr/>
At 30 September 2015	3,685
	<hr/>

## Notes (continued)

### 8. Investments

This represents investments in wholly owned subsidiaries incorporated in England and Wales as follows:

Campmoss Property Developments Limited - 2 ordinary shares of £1 each (2015: 2 ordinary shares of £1 each).

Campmoss Property Development Limited's aggregate capital and reserves at 30 September 2016 amounted to a surplus of £3,468,858 (2015: £2,524,031). During the year it made a profit of £944,827 (2015: £351,501).

Campmoss Property (Tangley Place) Limited – 2 ordinary shares of £1 each (2015: 2 ordinary shares of £1 each).

Campmoss Property (Tangley Place) Limited's aggregate capital and reserves as at 30 September 2016 amounted to a surplus of £8,153,719 (2015: £5,928,944). During the year it made a profit of £2,224,775 (2015: £1,391,873).

### 9. Debtors

	2016 £	2015 £
Trade debtors	132,127	186,575
Amounts owed by subsidiary undertakings	4,181,902	6,207,782
Prepayments and accrued income	93,456	57,104
Deferred tax asset	5,399	5,399
	<u>4,412,884</u>	<u>6,456,860</u>

### 10. Creditors: amounts falling due within one year

	2016 £	2015 £
Overdraft	2,016,692	1,650,162
Bank loan	-	6,967,200
Trade creditors	6,713	11,290
Amounts owed to The Cardiff Property plc (see note 16)	1,500,000	-
Amounts owed to subsidiary undertakings	2,014,999	-
Corporation tax	-	25,849
Other creditors	540,663	433,269
Accruals and deferred income	215,427	225,632
Rents in advance	306,950	368,299
	<u>6,601,444</u>	<u>9,681,701</u>

### 11. Creditors: amounts falling due after one year

	2016 £	2015 £
Bank loan	2,500,000	-
	<u>2,500,000</u>	<u>-</u>

The loan is the outstanding balance of a new two-year facility of £5m at 2.5% above 3 month LIBOR.



## Notes (continued)

### 12. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2016 £	2015 £	Liabilities 2016 £	2015 £	Net 2016 £	2015 £
Accelerated capital allowances	5,399	5,399	(514,420)	(568,354)	(509,021)	(562,955)
Investment properties	-	-	(299,179)	(213,504)	(299,179)	(213,504)
Other	-	-	(7,836)	(2,436)	(7,836)	(2,436)
Net tax (assets) / liabilities	<u>5,399</u>	<u>5,399</u>	<u>(821,435)</u>	<u>(784,294)</u>	<u>(816,036)</u>	<u>(778,895)</u>
						<b>Deferred tax - net liability £</b>
At beginning of year						778,895
Charged to profit and loss account in year						<u>37,141</u>
At end of year						<u><b>816,036</b></u>

### 13. Capital and reserves

Share capital	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
1,050,000 ordinary shares of £1 each	<u>1,050,000</u>	<u>1,050,000</u>

### 14. Ultimate parent undertaking and controlling party

The Company has no ultimate controlling party. Under section 383 of the Companies Act 2006 the directors have not prepared group financial statements for the group headed by Campmoss Property Company Limited on the grounds that the group qualifies as a small group.

### 15. Commitments

The company has no contractual commitments at 30 September 2016 (2015: £nil).

**Notes (continued)**

**16. Related party transactions**

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

Party	Nature of transactions	Value		Balance due (to)/from related party at 30 September	
		2016 £	2015 £	2016 £	2015 £
Deepwood Properties (sole trader owned by E G Goodwin a director of the Company)	Development work on assets under construction	296,149	1,192,667	79,921	-
	Maintenance and repairs to company properties	417,327	333,888	-	(20,391)
	Loan repaid	-	(1,344)	-	-
	Management, consultancy fees and administration expenses charged to the company	498,876	484,327	(30,000)	-
The Cardiff Property plc (party to whom Campmoss is a joint venture)	Loan received	1,500,000	-	(1,500,000)	-
	Loan interest charged to company	23,103	325	(8,370)	-
	Management fees charged to the company	414,993	512,961	-	(4,806)
J R Wollenberg (Director of company and The Cardiff Property plc)	Management fees paid	57,500	63,500	(30,000)	(25,000)
D A Whitaker (Director of The Cardiff Property plc)	Management fees paid	-	5,062	-	-

The Cardiff Property plc, have made available a facility of £2.5m until September 2017, of which £1.5m was drawn at 30 September 2016. The interest rate payable is 2.5% above LIBOR consistent with the Barclays loan. The loan is secured by charges against the following properties: Westview, Market Street, Bracknell, land at Clivemont House, Maidenhead and land at Norreys Drive, Maidenhead.

## Notes (continued)

### 17. Explanation of transition to FRS 102 from old UK GAAP

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 30 September 2016 and the comparative information presented in these financial statements for the year ended 30 September 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.

#### Reconciliation of equity

	Note	UK GAAP £	1 October 2014 Effect of transition to FRS 102 £	FRS 102 £
<b>Fixed assets</b>				
Tangible assets		4,245	-	4,245
Investment properties		15,959,334	-	15,959,334
Investments		4	-	4
		<u>15,963,583</u>	<u>-</u>	<u>15,963,583</u>
<b>Current assets</b>				
Stock		2,300,376	-	2,300,376
Debtors (due with one year)		5,958,623	-	5,958,623
Cash at bank and in hand		21,390	-	21,390
		<u>8,280,389</u>	<u>-</u>	<u>8,280,389</u>
<b>Creditors: amounts due within one year</b>		<u>(4,029,483)</u>	<u>-</u>	<u>(4,029,483)</u>
<b>Net current assets</b>		<u>4,250,906</u>	<u>-</u>	<u>4,250,906</u>
<b>Total assets less current liabilities</b>		<u>20,214,489</u>	<u>-</u>	<u>20,214,489</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>(6,967,200)</u>	<u>-</u>	<u>(6,967,200)</u>
<b>Provisions for liabilities</b>				
Deferred tax liability	a	(566,664)	(5,094)	(571,758)
<b>Net assets</b>		<u>12,680,625</u>	<u>(5,094)</u>	<u>12,675,531</u>
<b>Capital and reserves</b>				
Called up share capital		1,050,000	-	1,050,000
Revaluation reserve		(2,726,136)	-	(2,726,136)
Profit and loss account	a	14,356,761	(5,094)	14,351,667
<b>Net assets</b>		<u>12,680,625</u>	<u>(5,094)</u>	<u>12,675,531</u>

## Notes (continued)

### 17 Explanation of transition to FRS 102 from old UK GAAP (continued)

#### Reconciliation of equity

			30 September 2015 Effect of transition to FRS 102	FRS 102
	Note	UK GAAP £	FRS 102 £	£
<b>Fixed assets</b>				
Tangible assets		3,685	-	3,685
Investment properties		18,650,000	-	18,650,000
Investments		4	-	4
		<u>18,653,689</u>	<u>-</u>	<u>18,653,689</u>
<b>Current assets</b>				
Debtors		6,456,860	-	6,456,860
Cash at bank and in hand		116,333	-	116,333
		<u>6,573,193</u>	<u>-</u>	<u>6,573,193</u>
<b>Creditors: amounts due within one year</b>		<u>(9,681,701)</u>	<u>-</u>	<u>(9,681,701)</u>
<b>Net current liabilities</b>		<u>(3,108,508)</u>	<u>-</u>	<u>(3,108,508)</u>
<b>Total assets less current liabilities</b>		<u>15,545,181</u>	<u>-</u>	<u>15,545,181</u>
<b>Provisions for liabilities</b>				
Deferred tax liability	a	(570,790)	(213,504)	(784,294)
<b>Net assets</b>		<u>14,974,391</u>	<u>(213,504)</u>	<u>14,760,887</u>
<b>Capital and reserves</b>				
Called up share capital		1,050,000	-	1,050,000
Revaluation reserve		(560,493)	-	(560,493)
Profit and loss account	a	14,484,884	(213,504)	14,271,380
<b>Net assets</b>		<u>14,974,391</u>	<u>(213,504)</u>	<u>14,760,887</u>

#### Note to the reconciliation of equity

- a) FRS 102 requires deferred tax to be provided on the difference between the fair value and the indexed net book value of investment properties.

## Notes (continued)

### 17 Explanation of transition to FRS 102 from old UK GAAP (continued)

#### Reconciliation of profit for comparative period

	Note	UK GAAP £	2015 Effect of transition to FRS 102 £	FRS 102 £
<b>Turnover</b>		1,475,762	-	1,475,762
Cost of sales		(1,027,013)	-	(1,027,013)
<b>Gross profit</b>		448,749	-	448,749
Administrative expenses		(150,241)	-	(150,241)
<b>Operating profit before gains on investment properties</b>		298,508	-	298,508
Profit on sale of investment property		10,799	-	10,799
Surplus on revaluation of investment properties	a	-	2,251,663	2,251,663
<b>Operating profit</b>		309,307	2,251,663	2,560,970
Interest receivable and similar income		3,541	-	3,541
Interest payable and similar charges		(249,428)	-	(249,428)
<b>Profit on ordinary activities before taxation</b>		63,420	2,251,663	2,315,083
Taxation	a	(21,317)	(208,410)	(229,727)
<b>Profit for the financial year</b>		42,103	2,043,253	2,085,356

#### Notes to the reconciliation of profit

- a) FRS 102 requires surplus or deficit on revaluation of investment properties to be taken to the profit and loss account and the deferred tax to be provided on this amount.

### 18 Accounting estimates and judgements

The key accounting judgements include the investment property valuations. Whilst the directors have arrived at their valuations based on their extensive experience and market knowledge as well as input from local agents the valuations remain subjective.