

Company Registration No. 02224563 (England and Wales)

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 OCTOBER 2016

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# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## COMPANY INFORMATION

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|--------------------------|---|---------------------------|
| <b>Directors</b>         | Mr A D Gott<br>Mr J D Sheppard  | (Appointed 18 April 2016) |
| <b>Secretary</b>         | Mr J D Sheppard   |                           |
| <b>Company number</b>    | 02224563  |                           |
| <b>Registered office</b> | Whiteoaks Farm<br>The Old Sidings, Corsham Road<br>Lacock<br>Chippenham<br>SN15 2LZ |                           |
| <b>Auditor</b>           | Moore and Smalley LLP<br>Richard House<br>9 Winckley Square<br>Preston<br>PR1 3HP   |                           |

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# THAMES VALLEY EGGS (PRODUCTION) LIMITED

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# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## BALANCE SHEET

AS AT 1 OCTOBER 2016

|   | Notes | 2016               |                  | 2015<br>as restated |                  |
|---|-------|--------------------|------------------|---------------------|------------------|
|   |       | £                  | £                | £                   | £                |
| <b>Fixed assets</b>                                   |       |                    |                  |                     |                  |
| Tangible assets                                       | 3     |                    | 863,092          |                     | 1,004,216        |
| Investment properties                                 | 4     |                    | 3,354,050        |                     | 3,465,000        |
|   |       |                    | <u>4,217,142</u> |                     | <u>4,469,216</u> |
| <b>Current assets</b>                                 |       |                    |                  |                     |                  |
| Debtors   | 5     | 9,930,502          |                  | 9,761,502           |                  |
| Cash at bank and in hand                              |       | 421                |                  | 16,396              |                  |
|   |       | <u>9,930,923</u>   |                  | <u>9,777,898</u>    |                  |
| <b>Creditors: amounts falling due within one year</b> | 6     | <u>(9,860,408)</u> |                  | <u>(9,883,345)</u>  |                  |
| <b>Net current assets/(liabilities)</b>               |       |                    | 70,515           |                     | (105,447)        |
| <b>Total assets less current liabilities</b>          |       |                    | <u>4,287,657</u> |                     | <u>4,363,769</u> |
| <b>Provisions for liabilities</b>                     |       |                    | <u>(265,974)</u> |                     | <u>(290,688)</u> |
| <b>Net assets</b>                                     |       |                    | <u>4,021,683</u> |                     | <u>4,073,081</u> |
| <b>Capital and reserves</b>                           |       |                    |                  |                     |                  |
| Called up share capital                               | 8     |                    | 2,227,100        |                     | 2,227,100        |
| Profit and loss reserves                              | 9     |                    | 1,794,583        |                     | 1,845,981        |
| <b>Total equity</b>                                   |       |                    | <u>4,021,683</u> |                     | <u>4,073,081</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 7/6/17 and are signed on its behalf by:



Mr A D Gott  
Director

Company Registration No. 02224563

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 OCTOBER 2016

|  | Notes | Share capital<br>£ | Revaluation reserve<br>£ | Profit and loss reserves<br>£ | Total<br>£  |
|--|-------|--------------------|--------------------------|-------------------------------|-------------|
| <b>Balance at 28 September 2014</b>                |       | 2,227,100          | -                        | 3,682,291                     | 5,909,391   |
| <b>Period ended 3 October 2015:</b>                |       |                    |                          |                               |             |
| Loss and total comprehensive income for the period |       | -                  | -                        | (36,310)                      | (36,310)    |
| Dividends  |       | -                  | -                        | (1,800,000)                   | (1,800,000) |
| <b>Balance at 3 October 2015</b>                   |       | 2,227,100          | -                        | 1,845,981                     | 4,073,081   |
| <b>Period ended 1 October 2016:</b>                |       |                    |                          |                               |             |
| Loss and total comprehensive income for the period |       | -                  | -                        | (51,398)                      | (51,398)    |
| <b>Balance at 1 October 2016</b>                   |       | 2,227,100          | -                        | 1,794,583                     | 4,021,683   |

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 OCTOBER 2016

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### 1 Accounting policies

#### Company information

Thames Valley Eggs (Production) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Whiteoaks Farm, The Old Sidings, Corsham Road, Lacock, Chippenham, SN15 2LZ.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 1 October 2016 are the first financial statements of Thames Valley Eggs (Production) 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 28 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

The company has opted to apply section 390 (3) of the Companies Act 2006. This permits the company to end its financial year on 1 October 2016 (2015: 3 October 2015) as it is not more than seven days after or before the end of the year dated 30 September 2016 (2015: 30 September 2015).

#### 1.2 Turnover

Turnover represents rent receivable and is recognised in the accounting period to which it relates.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                     |                        |
|---------------------|------------------------|
| Plant and machinery | 6.67% to 15% per annum |
|---------------------|------------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 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.

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 are basic financial assets and 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 balance sheet 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**

All of the company's assets are basic financial assets.

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

### 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***

All of the company's liabilities are basic financial liabilities.

#### ***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.



# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

### 1 Accounting policies

(Continued)

#### 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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Taxation

|  | 2016<br>£       | 2015<br>£      |
|--|-----------------|----------------|
| <b>Current tax</b>                                   |                 |                |
| UK corporation tax on profits for the current period | 37,398          | 43,838         |
| Adjustments in respect of prior periods              | 567             | -              |
| Total current tax                                    | <u>37,965</u>   | <u>43,838</u>  |
| <b>Deferred tax</b>                                  |                 |                |
| Origination and reversal of timing differences       | <u>(24,714)</u> | <u>(2,827)</u> |
| Total tax charge                                     | <u>13,251</u>   | <u>41,011</u>  |

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

### 3 Tangible fixed assets

|                                    | Plant and machinery<br>£ |
|------------------------------------|--------------------------|
| <b>Cost</b>                        |                          |
| At 4 October 2015                  | 2,613,431                |
| Disposals                          | (4,073)                  |
| At 1 October 2016                  | 2,609,358                |
| <b>Depreciation and impairment</b> |                          |
| At 4 October 2015                  | 1,609,215                |
| Depreciation charged in the period | 141,124                  |
| Eliminated in respect of disposals | (4,073)                  |
| At 1 October 2016                  | 1,746,266                |
| <b>Carrying amount</b>             |                          |
| At 1 October 2016                  | 863,092                  |
| At 3 October 2015                  | 1,004,216                |

### 4 Investment property

|                   | 2016<br>£ |
|-------------------|-----------|
| <b>Fair value</b> |           |
| At 4 October 2015 | 3,465,000 |
| Additions         | 1,008     |
| Revaluations      | (111,958) |
| At 1 October 2016 | 3,354,050 |

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 September 2016 by Savills (UK) Limited Chartered Surveyors, who are not connected with the company. The valuation was made on a fair value basis.

The properties have been valued with reference to the sale of similar properties in the locality (the comparable approach). Owing to the uniqueness of all properties it has then been necessary to make adjustments for differences in location, situation, appearance, size, condition etc before arriving at an appropriate opinion of value.

### 5 Debtors

|   | 2016<br>£ | 2015<br>£ |
|---|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Amounts due from group undertakings         | 9,930,502 | 9,761,502 |

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

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

|                                    | 2016<br>£        | 2015<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | -                | 64,248           |
| Amounts due to group undertakings  | 9,823,010        | 9,775,308        |
| Corporation tax                    | 37,398           | 43,269           |
| Other taxation and social security | -                | 300              |
| Other creditors                    | -                | 220              |
|                                    | <u>9,860,408</u> | <u>9,883,345</u> |

### 7 Provisions for liabilities

|                          | 2016<br>£      | 2015<br>£      |
|--------------------------|----------------|----------------|
| Deferred tax liabilities | 265,974        | 290,688        |
|                          | <u>265,974</u> | <u>290,688</u> |

### 8 Called up share capital

|                                      | 2016<br>£        | 2015<br>£        |
|--------------------------------------|------------------|------------------|
| <b>Ordinary share capital</b>        |                  |                  |
| <b>Issued and fully paid</b>         |                  |                  |
| 2,227,100 Ordinary shares of £1 each | <u>2,227,100</u> | <u>2,227,100</u> |

### 9 Profit and loss reserves

Included within profit and loss reserves is a non-distributable reserve arising due to the revaluation of investment property totalling £1,715,879 (2015: £1,803,079).

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jonathan Pinder.

The auditor was Moore and Smalley LLP.

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

### 11 Financial commitments, guarantees and contingent liabilities

The company is party to a cross guarantee in favour of Lloyds Bank plc and Lloyds Bank Commercial Finance Limited. As part of the cross composite guarantee between the group companies, a mortgage debenture exists which provides Lloyds Bank plc and Lloyds Bank Commercial Finance Limited with charges over all company assets, as security against its exposure to debt. The total liability under this guarantee across these companies, inclusive of the company's own borrowings, amounted to £7,026,966 (2015: £5,702,000).

The company is also a guarantor for borrowings within a group company totalling £1,900,000.

### 12 Related party transactions

The company has taken advantage of the exemption permitted under FRS 102 Section 1AC.35 from disclosing transactions with the parent and fellow subsidiary companies.

### 13 Parent company

The immediate parent company is Thames Valley Foods Limited.

The ultimate parent company at 3 October 2015 was Stonegate Group Limited. During the year Stonegate Group Limited was acquired by Gott Agri Synergy Limited, a company incorporated in Great Britain and registered in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Gott Agri Synergy Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Cardiff.

The ultimate controlling party is Mr A D Gott.

### 14 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

|  | Notes | 4 October<br>2014<br>£ | 1 October<br>2015<br>£ |
|--|-------|------------------------|------------------------|
| Equity as reported under previous UK GAAP                    |       | 6,196,150              | 4,350,213              |
| Adjustments arising from transition to FRS 102:              |       |                        |                        |
| Reclassification of property                                 | 1     | 6,800                  | 13,600                 |
| Deferred tax provision on revaluation of investment property | 2     | (293,559)              | (290,732)              |
| Equity reported under FRS 102                                |       | <u>5,909,391</u>       | <u>4,073,081</u>       |

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

### 14 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of loss for the financial period

|  | Notes | 2015<br>£       |
|--|-------|-----------------|
| Loss as reported under previous UK GAAP                      |       | (45,937)        |
| Adjustments arising from transition to FRS 102:              |       |                 |
| Reclassification of property                                 | 1     | 6,800           |
| Deferred tax provision on revaluation of investment property | 2     | 2,827           |
| Loss reported under FRS 102                                  |       | <u>(36,310)</u> |

#### Reconciliation of equity

|  | Notes | At 4 October 2014        |                              |                    | At 1 October 2015        |                              |                    |
|--|-------|--------------------------|------------------------------|--------------------|--------------------------|------------------------------|--------------------|
|  |       | Previous<br>UK GAAP<br>£ | Effect of<br>transition<br>£ | FRS 102<br>£       | Previous<br>UK GAAP<br>£ | Effect of<br>transition<br>£ | FRS 102<br>£       |
| <b>Fixed assets</b>                          |       |                          |                              |                    |                          |                              |                    |
| Tangible assets                              | 1     | 4,719,414                | (3,458,200)                  | 1,261,214          | 4,455,616                | (3,451,400)                  | 1,004,216          |
| Investment properties                        | 1     | -                        | 3,465,000                    | 3,465,000          | -                        | 3,465,000                    | 3,465,000          |
|  |       | <u>4,719,414</u>         | <u>6,800</u>                 | <u>4,726,214</u>   | <u>4,455,616</u>         | <u>13,600</u>                | <u>4,469,216</u>   |
| <b>Current assets</b>                        |       |                          |                              |                    |                          |                              |                    |
| Debtors                                      |       | 10,818,071               | -                            | 10,818,071         | 9,761,502                | -                            | 9,761,502          |
| Bank and cash                                |       | 713                      | -                            | 713                | 16,396                   | -                            | 16,396             |
|  |       | <u>10,818,784</u>        | <u>-</u>                     | <u>10,818,784</u>  | <u>9,777,898</u>         | <u>-</u>                     | <u>9,777,898</u>   |
| <b>Creditors due within one year</b>         |       |                          |                              |                    |                          |                              |                    |
| Taxation                                     |       | (46,632)                 | -                            | (46,632)           | (43,569)                 | -                            | (43,569)           |
| Other creditors                              |       | (9,295,460)              | -                            | (9,295,460)        | (9,839,776)              | -                            | (9,839,776)        |
|  |       | <u>(9,342,092)</u>       | <u>-</u>                     | <u>(9,342,092)</u> | <u>(9,883,345)</u>       | <u>-</u>                     | <u>(9,883,345)</u> |
| <b>Net current assets/ (liabilities)</b>     |       | <u>1,476,692</u>         | <u>-</u>                     | <u>1,476,692</u>   | <u>(105,447)</u>         | <u>-</u>                     | <u>(105,447)</u>   |
| <b>Total assets less current liabilities</b> |       | <u>6,196,106</u>         | <u>6,800</u>                 | <u>6,202,906</u>   | <u>4,350,169</u>         | <u>13,600</u>                | <u>4,363,769</u>   |
| <b>Provisions for liabilities</b>            |       |                          |                              |                    |                          |                              |                    |
| Deferred tax                                 | 2     | 44                       | (293,559)                    | (293,515)          | 44                       | (290,732)                    | (290,688)          |
| <b>Net assets</b>                            |       | <u>6,196,150</u>         | <u>(286,759)</u>             | <u>5,909,391</u>   | <u>4,350,213</u>         | <u>(277,132)</u>             | <u>4,073,081</u>   |

# THAMES VALLEY EGGS (PRODUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2016

### 14 Reconciliations on adoption of FRS 102

(Continued)

| Notes                       | At 4 October 2014 |                      |                  | At 1 October 2015 |                      |                  |
|-----------------------------|-------------------|----------------------|------------------|-------------------|----------------------|------------------|
|                             | Previous UK GAAP  | Effect of transition | FRS 102          | Previous UK GAAP  | Effect of transition | FRS 102          |
|                             | £                 | £                    | £                | £                 | £                    | £                |
| <b>Capital and reserves</b> |                   |                      |                  |                   |                      |                  |
| Share capital               | 2,227,100         | -                    | 2,227,100        | 2,227,100         | -                    | 2,227,100        |
| Revaluation reserve         | 1 2,093,811       | (2,093,811)          | -                | 2,093,811         | (2,093,811)          | -                |
| Profit and loss             | 1, 2 1,875,239    | 1,807,052            | 3,682,291        | 29,302            | 1,816,679            | 1,845,981        |
| <b>Total equity</b>         | <b>6,196,150</b>  | <b>(286,759)</b>     | <b>5,909,391</b> | <b>4,350,213</b>  | <b>(277,132)</b>     | <b>4,073,081</b> |

### Reconciliation of loss for the financial period

| Notes                                 | Period ended 1 October 2015 |                      |                 |
|---------------------------------------|-----------------------------|----------------------|-----------------|
|                                       | Previous UK GAAP            | Effect of transition | FRS 102         |
|                                       | £                           | £                    | £               |
| Turnover                              | 213,916                     | -                    | 213,916         |
| Cost of sales                         | 1 (213,923)                 | 6,800                | (207,123)       |
| <b>Gross profit</b>                   | <b>(7)</b>                  | <b>6,800</b>         | <b>6,793</b>    |
| Administrative expenses               | (2,046)                     | -                    | (2,046)         |
| Interest payable and similar expenses | (46)                        | -                    | (46)            |
| Taxation                              | 2 (43,838)                  | 2,827                | (41,011)        |
| <b>Loss for the financial period</b>  | <b>(45,937)</b>             | <b>9,627</b>         | <b>(36,310)</b> |

### Notes to reconciliations on adoption of FRS 102

#### 1. Reclassification of property

Prior to applying FRS 102, the company treated properties rented to other group companies as property, plant and equipment. Under FRS 102 the properties are now accounted for as investment properties, and have been restated at their fair value at the transition date. Depreciation previously charged on the properties has been reversed.

Prior to applying FRS 102, the company treated any revaluations on properties as an increase or decrease to the revaluation reserve. FRS 102 requires that any movements on investment property valuations are recognised through the profit and loss account. The revaluation reserve balance has therefore been transferred to the profit and loss account on transition.

#### 2. Deferred tax provision on revaluation of investment property

Prior to applying FRS 102, the company did not recognise a deferred tax provision for the revaluation gains on properties. As noted above, under FRS 102 the properties are now accounted for as investment properties. On application of FRS 102, a deferred tax provision of £293,559 has been recognised at 28 September 2014. This had reduced to £290,732 by 3 October 2015, resulting in a credit of £2,827 to the statement of comprehensive income in the year ended 3 October 2015.