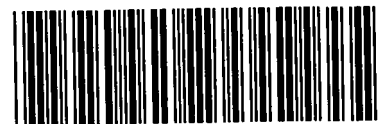


**Company Registration No. 02436003 (England and Wales)**

**ATMORE INVESTMENTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

WEDNESDAY



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# ATMORE INVESTMENTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A N Carson C R L Shepherd
<b>Secretary</b>	J Geddes
<b>Company number</b>	02436003
<b>Registered office</b>	St John's House Two Queen Square Liverpool L1 1RH
<b>Auditor</b>	Gerald Edelman 73 Cornhill London EC3V 3QQ
<b>Business address</b>	St John's House Two Queen Square Liverpool L1 1RH

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# **ATMORE INVESTMENTS LIMITED**

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# **ATMORE INVESTMENTS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present their annual report and financial statements for the year ended 31 March 2016.

### **Principal activities**

The principal activity of the company continued to be that of property investment.

### **Directors**

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

A N Carson  
C R L Shepherd

### **Auditor**

The auditor, Gerald Edelman, is 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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Going concern**

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2016.

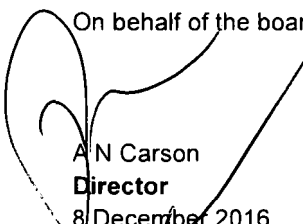
# **ATMORE INVESTMENTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board  
  
A N Carson  
**Director**  
8 December 2016

# **ATMORE INVESTMENTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ATMORE INVESTMENTS LIMITED**

---

We have audited the financial statements of Atmore Investments Limited for the year ended 31 March 2016 set out on pages 5 to 14. 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 Section 1A "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 1, 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 March 2016 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, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

# **ATMORE INVESTMENTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ATMORE INVESTMENTS 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Hemen Doshi FCCA (Senior Statutory Auditor)**  
for and on behalf of Gerald Edelman

8 December 2016

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

73 Cornhill  
London  
EC3V 3QQ

# ATMORE INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover		961,971	969,047
Property outgoings		(29,092)	(11,235)
<b>Gross profit</b>		<b>932,879</b>	<b>957,812</b>
Administrative expenses		(183,747)	(251,580)
<b>Operating profit</b>	<b>2</b>	<b>749,132</b>	<b>706,232</b>
Interest payable and similar expenses		(53,864)	(56,284)
Fair value gains and losses on investment properties		339,500	(1,649,250)
Waiver of intercompany loans		12,770	-
<b>Profit/(loss) before taxation</b>		<b>1,047,538</b>	<b>(999,302)</b>
Taxation		(127,590)	(3,119)
<b>Profit/(loss) for the financial year</b>	<b>9</b>	<b>919,948</b>	<b>(1,002,421)</b>



# ATMORE INVESTMENTS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Investment properties	4		10,719,500		10,380,000
<b>Current assets</b>					
Debtors	5	5,295,745		4,967,803	
Cash at bank and in hand		447,035		364,489	
		5,742,780		5,332,292	
<b>Creditors: amounts falling due within one year</b>	6	(4,331,993)		(4,299,025)	
<b>Net current assets</b>			1,410,787		1,033,267
<b>Total assets less current liabilities</b>			12,130,287		11,413,267
<b>Creditors: amounts falling due after more than one year</b>	7		(3,030,317)		(3,233,245)
<b>Net assets</b>			9,099,970		8,180,022
<b>Capital and reserves</b>					
Called up share capital	8		100		100
Profit and loss reserves	9		9,099,870		8,179,922
<b>Total equity</b>			9,099,970		8,180,022

These financial statements have been prepared 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 8 December 2016 and are signed on its behalf by:

A N Carson  
Director

Company Registration No. 02436003

# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies

#### Company information

Atmore Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is St John's House, Two Queen Square, Liverpool, L1 1RH.

#### 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 and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Atmore Investments 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 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

#### 1.2 Turnover

Turnover represents gross rent receivable and other property related income. Turnover is recognised in accordance with the lease agreements signed by tenants.

#### 1.3 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.

#### 1.4 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.

#### 1.5 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.

# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies

(Continued)

#### **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.

#### **Derecognition of financial liabilities**

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

### 1.6 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.

### 1.7 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.

# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

#### 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.

#### 1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	11,000

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2015 - 4).

### 4 Investment properties

	2016
	£
Fair value	
At 1 April 2015	10,380,000
Revaluations	339,500
At 31 March 2016	10,719,500

# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 4 Investment properties

(Continued)

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2016 by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The historical cost of the investment properties at 31 March 2016 was approximately £8,550,000 (2015: £8,550,000).

### 5 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	55,060	112,758
Amounts due from group undertakings	4,743,659	4,852,734
Other debtors	497,026	2,311
	<u>5,295,745</u>	<u>4,967,803</u>

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

	2016 £	2015 £
Bank loans and overdrafts (note 7)	207,081	205,297
Trade creditors	7,893	12,087
Amounts due to group undertakings	3,676,431	3,619,819
Corporation tax	128,356	108,812
Other taxation and social security	27,085	36,833
Other creditors	285,147	316,177
	<u>4,331,993</u>	<u>4,299,025</u>

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

	2016 £	2015 £
Bank loans and overdrafts	<u>3,030,317</u>	<u>3,233,245</u>
Amounts included above which fall due after five years are as follows:		
Payable by instalments	-	156,470
Payable other than by instalments	-	2,273,685
	<u>-</u>	<u>2,430,155</u>

The bank loans and overdrafts are secured by a fixed charge over the company's investment properties and a floating charge over the remaining assets of the company.

# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	100	100

### 9 Profit and loss reserves

Included within profit and loss reserves are non-distributable reserves amounting to £2,171,624 (2015 - £1,832,124) which relates to the revaluation of investment property.

### 10 Financial commitments, guarantees and contingent liabilities

The company has given guarantees and charges over its properties in favour of other group companies in support of certain borrowings of those companies. At the balance sheet date the amount outstanding under these borrowings was approximately £49 million.

### 11 Related party transactions

The company has taken advantage of the exemption in paragraph 1AC.35 within Section 1A of FRS 102 to not disclose transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transactions is wholly-owned by such a member.

Included within debtors is an amount of £350,000 (2015- £Nil) due from Ess-Gee Investments Limited, a company in which both A N Carson and C R L Shepherd are directors. There are no terms for repayment or interest.

Included within debtors is an amount of £100,000 (2015- £Nil) due from City & County Properties Limited, a company controlled by Mr M Grodner. There are no terms for repayment or interest.

### 12 Control

The ultimate parent company is Atmore Properties Limited, a company registered in England and Wales. The registered office of Atmore Properties Limited is St John's House, Two Queen Square, Liverpool, L1 1RH.

The ultimate controlling party is Mr M Grodner and Mrs D J Grodner and their family interests.

# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 13 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

Notes	At 1 April 2014			At 31 March 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>						
Investment properties	12,029,250	-	12,029,250	10,380,000	-	10,380,000
<b>Current assets</b>						
Debtors	5,025,770	-	5,025,770	4,967,803	-	4,967,803
Bank and cash	297,375	-	297,375	364,489	-	364,489
	5,323,145	-	5,323,145	5,332,292	-	5,332,292
<b>Creditors due within one year</b>						
Loans and overdrafts	(208,307)	-	(208,307)	(205,297)	-	(205,297)
Taxation	(135,580)	-	(135,580)	(145,645)	-	(145,645)
Other creditors	(4,288,255)	-	(4,288,255)	(3,948,083)	-	(3,948,083)
	(4,632,142)	-	(4,632,142)	(4,299,025)	-	(4,299,025)
Net current assets	691,003	-	691,003	1,033,267	-	1,033,267
Total assets less current liabilities	12,720,253	-	12,720,253	11,413,267	-	11,413,267
<b>Creditors due after one year</b>						
Loans and overdrafts	(3,434,810)	-	(3,434,810)	(3,233,245)	-	(3,233,245)
<b>Provisions for liabilities</b>						
Deferred tax 2	-	(103,000)	(103,000)	-	-	-
Net assets	9,285,443	(103,000)	9,182,443	8,180,022	-	8,180,022
<b>Capital and reserves</b>						
Share capital	100	-	100	100	-	100
Revaluation reserve 1	3,481,374	(3,481,374)	-	1,832,124	(1,832,124)	-
Profit and loss 1 & 2	5,803,969	3,378,374	9,182,343	6,347,798	1,832,124	8,179,922
Total equity	9,285,443	(103,000)	9,182,443	8,180,022	-	8,180,022



# ATMORE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 13 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of profit/(loss) for the financial period

	Notes	Year ended 31 March 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		969,047	-	969,047
Cost of sales		(11,235)	-	(11,235)
Gross profit		957,812	-	957,812
Administrative expenses		(251,580)	-	(251,580)
Interest payable and similar expenses		(56,284)	-	(56,284)
Amounts written off investments & fair value gains and losses on investment properties	1	-	(1,649,250)	(1,649,250)
Profit/(loss) before taxation		649,948	(1,649,250)	(999,302)
Taxation	2	(106,119)	103,000	(3,119)
Profit/(loss) for the financial period		543,829	(1,546,250)	(1,002,421)

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

##### 1) Investment property revaluation

Under previous UK GAAP, investment property revaluations were held under the revaluation reserve. On transition to FRS 102, changes in the fair value of investment property are made through the profit and loss statement. The revaluation reserve has been credited to the profit and loss reserve. The comparative devaluation in investment property of £1,649,250 has been made through the profit and loss account.

##### 2) Deferred tax

Under previous UK GAAP, the company was not required to provide for taxation on revaluation of investment property. On transition to FRS 102, deferred taxation is provided on the temporary difference arising from revaluation. A deferred tax charge of £103,000 arose on transition to FRS 102. In the year ending 31 March 2015 there was a tax credit of £103,000 in relation to movement in the deferred tax liability.