

Registered number: 03536563

A E L PROPERTIES (SOUTHERN) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

TUESDAY



A12 *A7K3YRWO*
04/12/2018 #66
COMPANIES HOUSE

| |
|--|
| A E L PROPERTIES (SOUTHERN) LIMITED |
|--|

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Director | J E Tuttiett |
| Registered number | 03536563 |
| Registered office | Prospect Place Moorside Road Winchester Hampshire SO23 7RX |
| Independent auditors | Harris & Trotter LLP Chartered Accountants & Statutory Auditors 64 New Cavendish Street London W1G 8TB |

A E L PROPERTIES (SOUTHERN) LIMITED

CONTENTS

| | Page |
|--|---------|
| Group strategic report | 1 |
| Director's report | 2 - 3 |
| Independent auditors' report | 4 - 6 |
| Consolidated statement of comprehensive income | 7 |
| Consolidated balance sheet | 8 - 9 |
| Company balance sheet | 10 - 11 |
| Consolidated statement of changes in equity | 12 |
| Company statement of changes in equity | 13 |
| Consolidated Statement of cash flows | 14 - 15 |
| Notes to the financial statements | 16 - 32 |

A E L PROPERTIES (SOUTHERN) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The Director presents his strategic report together with the audited financial statements for the year ended 31 March 2018.

Business review

The Company is an asset management company and the principal activity of its subsidiary undertakings are asset management and that of underwriting general insurance business.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to management approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the Group and remains management's priority and the Group finance department take on an important oversight role in this regard.

The principal risks to the Group arise from the possibility of losing the right to income from an asset in place of a one off statutory premium and inadequate collection of rents to the detriment of cash flow.

In addition, the Group is exposed to financial risks of claims resulting from the underwriting general insurance business.

Financial key performance indicators

A summary of the main financial highlights for the year is set out below:

| | 2018 £ | 2017 £ | 2016 £ |
|---------------------------------|------------|------------|------------|
| Revenue | 3,771,713 | 2,810,687 | 3,276,863 |
| Profit / (Loss) before taxation | 2,301,510 | 828,532 | 5,847,171 |
| Shareholders' funds | 12,769,032 | 10,716,029 | 10,004,110 |

This report was approved by the board on

3 / 12 / 2018

and signed on its behalf.

.....
J E Tuttiett
Director

A E L PROPERTIES (SOUTHERN) LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The director presents his report and the financial statements for the year ended 31 March 2018.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,765,817 (2017 - £647,771).

The director does not recommend the payment of a dividend.

Director

The director who served during the year was:

J E Tuttiett

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

A E L PROPERTIES (SOUTHERN) LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Auditors

The auditors, Harris & Trotter LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3 / 12 / 2018 and signed on its behalf.

.....
J E Tuttle
Director

A E L PROPERTIES (SOUTHERN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A E L PROPERTIES (SOUTHERN) LIMITED

Opinion

We have audited the financial statements of A E L Properties (Southern) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

A E L PROPERTIES (SOUTHERN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A E L PROPERTIES (SOUTHERN) LIMITED (CONTINUED)

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Group strategic report.

Responsibilities of directors

As explained more fully in the Director's responsibilities statement on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

A E L PROPERTIES (SOUTHERN) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A E L PROPERTIES (SOUTHERN)
LIMITED (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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 Auditors' 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.



Daniel Walters (Senior Statutory Auditor)

for and on behalf of
Harris & Trotter LLP

Chartered Accountants

64 New Cavendish Street
London
W1G 8TB

Date: **3 / 12 / 2018**

A E L PROPERTIES (SOUTHERN) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

| | Note | 2018 £ | 2017 £ |
|---|------|-------------------------|-----------------------|
| Turnover | 4 | 3,771,713 | 2,810,687 |
| Cost of sales | | (1,812,838) | (1,895,255) |
| Gross profit | | <u>1,958,875</u> | <u>915,432</u> |
| Administrative expenses | | 392,229 | (97,748) |
| Fair value movements | | (89,536) | (66,062) |
| Operating profit | | <u>2,261,568</u> | <u>751,622</u> |
| Income from shares in group undertakings | | - | 13,192 |
| Income from participating interests | | 43,265 | 28,770 |
| Income from fixed assets investments | | 33,373 | 15,619 |
| Unrealised profit on investments | | (34,462) | 2,256 |
| Interest receivable and similar income | 8 | 2,206 | 33,695 |
| Interest payable and expenses | 9 | (4,440) | (16,622) |
| Profit before taxation | | <u>2,301,510</u> | <u>828,532</u> |
| Tax on profit | 10 | (219,232) | (182,414) |
| Profit for the financial year | | <u><u>2,082,278</u></u> | <u><u>646,118</u></u> |
| Profit for the year attributable to: | | | |
| Non-controlling interests | | 316,461 | (1,653) |
| Owners of the parent Company | | 1,765,817 | 647,771 |
| | | <u><u>2,082,278</u></u> | <u><u>646,118</u></u> |

The notes on pages 16 to 32 form part of these financial statements.

A E L PROPERTIES (SOUTHERN) LIMITED
REGISTERED NUMBER: 03536563

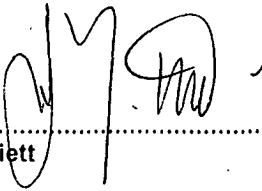
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

| | Note | 2018 £ | 2017 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Investments | 11 | 3,096,190 | 116,473 |
| Investment property | 12 | 9,921,045 | 6,926,874 |
| | | <u>13,017,235</u> | <u>7,043,347</u> |
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 13 | 185,808 | - |
| Debtors: amounts falling due within one year | 13 | 4,363,872 | 6,949,774 |
| Current asset investments | 14 | 4,523,534 | 2,854,633 |
| Cash at bank and in hand | 15 | 2,955,475 | 1,773,402 |
| | | <u>12,028,689</u> | <u>11,577,809</u> |
| Creditors: amounts falling due within one year | 16 | (12,139,660) | (7,685,659) |
| Net current (liabilities)/assets | | <u>(110,971)</u> | <u>3,892,150</u> |
| Total assets less current liabilities | | <u>12,906,264</u> | <u>10,935,497</u> |
| Creditors: amounts falling due after more than one year | 17 | - | (87,434) |
| Provisions for liabilities | | | |
| Deferred taxation | 19 | (137,232) | (132,034) |
| | | <u>(137,232)</u> | <u>(132,034)</u> |
| Net assets excluding pension asset | | <u>12,769,032</u> | <u>10,716,029</u> |
| Net assets | | <u>12,769,032</u> | <u>10,716,029</u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 54 | 54 |
| Other reserves | 21 | 670,015 | 644,637 |
| Fair value adjustment | 21 | (29,193) | - |
| Profit and loss account | 21 | 11,595,219 | 9,854,863 |
| Equity attributable to owners of the parent Company | | <u>12,236,095</u> | <u>10,499,554</u> |
| Non-controlling interests | | 532,937 | 216,475 |
| | | <u>12,769,032</u> | <u>10,716,029</u> |

A E L PROPERTIES (SOUTHERN) LIMITED
REGISTERED NUMBER: 03536563

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3/12/2018



.....
J E Tuttiatt
Director

The notes on pages 16 to 32 form part of these financial statements.

A E L PROPERTIES (SOUTHERN) LIMITED
REGISTERED NUMBER: 03536563

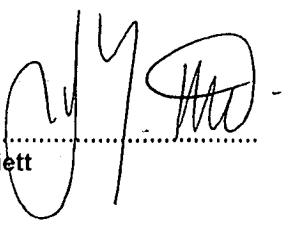
COMPANY BALANCE SHEET
AS AT 31 MARCH 2018

| | Note | 2018 £ | 2017 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Investments | 11 | 3,668,170 | 731,718 |
| Investment property | 12 | 9,921,045 | 6,926,874 |
| | | <u>13,589,215</u> | <u>7,658,592</u> |
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 13 | 185,808 | - |
| Debtors: amounts falling due within one year | 13 | 886,750 | 3,499,011 |
| Cash at bank and in hand | 15 | 2,873,186 | 1,595,384 |
| | | <u>3,945,744</u> | <u>5,094,395</u> |
| Creditors: amounts falling due within one year | 16 | (5,960,008) | (1,975,316) |
| Net current (liabilities)/assets | | <u>(2,014,264)</u> | <u>3,119,079</u> |
| Total assets less current liabilities | | <u>11,574,951</u> | <u>10,777,671</u> |
| Creditors: amounts falling due after more than one year | 17 | - | (87,434) |
| Provisions for liabilities | | | |
| Deferred taxation | 19 | (137,232) | (132,034) |
| | | <u>(137,232)</u> | <u>(132,034)</u> |
| Net assets excluding pension asset | | <u>11,437,719</u> | <u>10,558,203</u> |
| Net assets | | <u><u>11,437,719</u></u> | <u><u>10,558,203</u></u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 54 | 54 |
| Other reserves | 21 | 670,015 | 644,637 |
| Fair value adjustment | 21 | (29,193) | - |
| Profit and loss account | 21 | 10,796,843 | 9,913,512 |
| | | <u>11,437,719</u> | <u>10,558,203</u> |

A E L PROPERTIES (SOUTHERN) LIMITED
REGISTERED NUMBER: 03536563

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3/12/2018


.....
J E Tuttiett
Director

The notes on pages 16 to 32 form part of these financial statements.

A E L PROPERTIES (SOUTHERN) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

| | Called up share capital | Other non- distributable reserves | Fair value adjustment | Profit and loss account | Equity attributable to owners of parent Company | Non- controlling interests | Total equity |
|---|----------------------------|---|--------------------------|----------------------------|---|----------------------------------|--------------|
| | £ | £ | £ | £ | £ | £ | £ |
| At 1 April 2016 (as previously stated) | 54 | 711,851 | - | 9,418,890 | 10,130,795 | 218,128 | 10,348,923 |
| Prior year adjustment | - | (121,015) | - | (223,798) | (344,813) | - | (344,813) |
| At 1 April 2016 (as restated) | 54 | 590,836 | - | 9,195,092 | 9,785,982 | 218,128 | 10,004,110 |
| Profit for the year | - | - | - | 647,771 | 647,771 | (1,653) | 646,118 |
| Surplus on revaluation of freehold property | - | 65,801 | - | - | 65,801 | - | 65,801 |
| Transfer to/from profit and loss account | - | (12,000) | - | 12,000 | - | - | - |
| At 1 April 2017 | 54 | 644,637 | - | 9,854,863 | 10,499,554 | 216,475 | 10,716,029 |
| Comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | 1,765,817 | 1,765,817 | 316,461 | 2,082,278 |
| Surplus on revaluation of freehold property | - | 30,576 | - | - | 30,576 | - | 30,576 |
| Other movement | - | - | (29,275) | - | (29,275) | - | (29,275) |
| Transfer to/from profit and loss account | - | (5,198) | 82 | (25,461) | (30,577) | - | (30,577) |
| At 31 March 2018 | 54 | 670,015 | (29,193) | 11,595,219 | 12,236,095 | 532,936 | 12,769,031 |

The notes on pages 16 to 32 form part of these financial statements.

A E L PROPERTIES (SOUTHERN) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

| | Called up share capital | Other non- distributable reserves | Fair value adjustment | Profit and loss account | Total equity |
|---|----------------------------|---|--------------------------|----------------------------|--------------|
| | £ | £ | £ | £ | £ |
| At 1 April 2016 (as previously stated) | 54 | 711,851 | - | 9,157,406 | 9,869,311 |
| Prior year adjustment | - | (121,015) | - | 121,015 | - |
| At 1 April 2016 (as restated) | 54 | 590,836 | - | 9,278,421 | 9,869,311 |
| Profit for the year | - | - | - | 623,091 | 623,091 |
| Surplus on revaluation of freehold property | - | 65,801 | - | - | 65,801 |
| Transfer to/from profit and loss account | - | (12,000) | - | 12,000 | - |
| At 1 April 2017 | 54 | 644,637 | - | 9,913,512 | 10,558,203 |
| Profit for the year | - | - | - | 908,792 | 908,792 |
| Surplus on revaluation of freehold property | - | 30,576 | - | - | 30,576 |
| Other movement | - | - | (29,275) | - | (29,275) |
| Transfer to/from profit and loss account | - | (5,198) | 82 | (25,461) | (30,577) |
| At 31 March 2018 | 54 | 670,015 | (29,193) | 10,796,843 | 11,437,719 |

The notes on pages 16 to 32 form part of these financial statements.

A E L PROPERTIES (SOUTHERN) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

| | 2018 £ | 2017 £ |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 2,082,278 | 646,118 |
| Adjustments for: | | |
| Profit on disposal of tangible assets | (509,693) | (6,500) |
| Interest paid | 4,440 | 16,622 |
| Interest received | (78,844) | (91,276) |
| Taxation charge | 219,232 | 182,413 |
| Decrease/(increase) in debtors | 350,066 | (52,784) |
| Decrease/(increase) in amounts owed by associates | 2,050,028 | (1,976,646) |
| Increase in creditors | 4,315,340 | 2,701,094 |
| Corporation tax (paid) | (162,805) | (1,159,600) |
| Unrealised gain on investment properties | (30,576) | - |
| Non-controlling interest charge | - | 1,653 |
| Other adjustments | (8,600) | 31,914 |
| Loss on disposal of investments | 34,462 | (2,256) |
| Unrealised loss on investments | 120,112 | - |
| Profit from associate | (43,265) | - |
| Notional interest | (29,275) | - |
| Net cash generated from operating activities | <u>8,312,900</u> | <u>290,752</u> |
| Cash flows from investing activities | | |
| Sale of tangible fixed assets | 518,293 | 12,000 |
| Purchase of investment properties | (2,963,595) | (3,840,306) |
| Sale of investment properties | - | 6,000 |
| Purchase of listed investments | (3,279,980) | (59,811) |
| Sale of listed investments | 192,898 | - |
| Sale of unlisted and other investments | (3,944) | 2,256 |
| Purchase of short term unlisted investments | (1,668,901) | (952,757) |
| Interest received | 2,206 | 33,695 |
| Income from investments | 20,965 | 15,619 |
| Dividends received | 12,409 | - |
| Income from investments in related companies | 43,265 | 41,962 |
| Net cash from investing activities | <u>(7,126,384)</u> | <u>(4,741,342)</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

| | 2018 £ | 2017 £ |
|---|-------------------------|-------------------------|
| Cash flows from financing activities | | |
| Repayment of other loans | (3) | (37) |
| Interest paid | (4,440) | (16,622) |
| Net cash used in financing activities | <u>(4,443)</u> | <u>(16,659)</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>1,182,073</u> | <u>(4,467,249)</u> |
| Cash and cash equivalents at beginning of year | 1,773,402 | 6,240,651 |
| Cash and cash equivalents at the end of year | <u><u>2,955,475</u></u> | <u><u>1,773,402</u></u> |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 2,955,475 | 1,773,402 |
| | <u><u>2,955,475</u></u> | <u><u>1,773,402</u></u> |

The notes on pages 16 to 32 form part of these financial statements.

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. General information

A E L Properties (Southern) Limited is a private company limited by shares, incorporated in England & Wales (registered number 03536563). Its registered office and principal place of business is Prospect Place, Moorside Road, Winchester, Hampshire, SO23 7RX. The financial statements are presented in Sterling, which is the functional currency of the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Investment properties

Investment properties are carried at fair value determined annually by the director and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Investments in associates are measured initially at transaction price, including transaction costs and subsequently adjusted to reflect the Group's share of the profit or loss, other comprehensive income and equity of the associate.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.8 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.12 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying values of assets and the liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revisions and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Valuation of investment properties

As described in the notes to the financial statements, investment properties are stated at fair value based on the valuation by the director. The valuer used observable market prices adjusted as necessary for any difference in the nature, location or condition of the specific asset.

Unexpired risk provisions

The unexpired risk provisions includes an element of uncertainty and requires management to make judgments to provide provisions for claims arising from incidents occurring prior to the recording date whether reported or not. The estimation of unexpired risk reserves is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified by the Company.

Unexpired risk reserves

The unexpired risk reserves bring the value of claims incurred up to the level of net earned premium. Due to the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

A E L PROPERTIES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2018 £ | 2017 £ |
|------------------|------------------|------------------|
| Asset management | 375,750 | 152,361 |
| Insurance | 3,395,963 | 2,658,326 |
| | <u>3,771,713</u> | <u>2,810,687</u> |

All turnover arose within the United Kingdom.

5. Auditors' remuneration

| | 2018 £ | 2017 £ |
|---|---------------|---------------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | <u>14,901</u> | <u>14,250</u> |

6. Employees

The average monthly number of employees, including the director, during the year was as follows:

| | 2018 No. | 2017 No. |
|-----------------------------|-------------|-------------|
| Average number of employees | <u>1</u> | <u>1</u> |

7. Income from investments

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Income from fixed asset investments | <u>20,965</u> | <u>15,619</u> |
| | <u>20,965</u> | <u>15,619</u> |
| Dividends received from associate undertakings | <u>12,409</u> | <u>-</u> |
| | <u>12,409</u> | <u>-</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. Interest receivable

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Bank and other interest receivable | 2,206 | 33,695 |
| | <u>2,206</u> | <u>33,695</u> |

9. Interest payable and similar expenses

| | 2018 £ | 2017 £ |
|------------------------|------------------|------------------|
| Bank interest payable | 4,440 | 4,485 |
| Other interest payable | - | 12,137 |
| | <u>4,440</u> | <u>16,622</u> |

10. Taxation

| | 2018 £ | 2017 £ |
|--|------------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | 214,034 | 171,394 |
| Total current tax | <u>214,034</u> | <u>171,394</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 5,198 | 11,020 |
| Total deferred tax | <u>5,198</u> | <u>11,020</u> |
| Taxation on profit on ordinary activities | <u>219,232</u> | <u>182,414</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Profit on ordinary activities before tax | 2,301,510 | 828,532 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%) | 437,287 | 165,706 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | 9,326 |
| Short term timing difference leading to an increase (decrease) in taxation | 5,198 | 11,020 |
| Other timing differences leading to an increase (decrease) in taxation | (275) | - |
| Non-taxable income | (222,978) | (3,638) |
| Total tax charge for the year | 219,232 | 182,414 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Fixed asset investments

Group

| | Investments in associates £ | Listed investments £ | Total £ |
|--------------------------|--------------------------------------|----------------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2017 | 56,923 | 59,550 | 116,473 |
| Additions | - | 3,279,980 | 3,279,980 |
| Disposals | - | (223,416) | (223,416) |
| Revaluations | - | (120,112) | (120,112) |
| Share of profit/(loss) | 43,265 | - | 43,265 |
| | <u>100,188</u> | <u>2,996,002</u> | <u>3,096,190</u> |
| At 31 March 2018 | | | |
| | <u>100,188</u> | <u>2,996,002</u> | <u>3,096,190</u> |
| Net book value | | | |
| At 31 March 2018 | <u>100,188</u> | <u>2,996,002</u> | <u>3,096,190</u> |
| <i>At 31 March 2017</i> | <u>56,923</u> | <u>59,550</u> | <u>116,473</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|--|------------------------|----------------|---------------------------|
| Augustus Insurance Company Limited | Ordinary | 72 % | Insurance underwriters |
| TTMB Holdings Limited | Ordinary | 72 % | Dormant |
| AELS 101 Limited | Ordinary | 100 % | Dormant |
| Altermead Limited | Ordinary | 100 % | Dormant |
| RMB 101 Limited | Ordinary | 100 % | Dormant |
| Hambledon Road Management Limited | Ordinary | 100 % | Dormant |
| E&J 1002 Limited | Ordinary | 100 % | Dormant |
| E&J 1003 Limited | Ordinary | 100 % | Dormant |
| James Tuttiett Developments Limited | Ordinary | 100 % | Dormant |
| Oakdene (Fair Oak) Property Management Co. Limited | Ordinary | 100 % | Dormant |
| R.M.B. Trading Limited | Ordinary | 100 % | Asset management |

A E L PROPERTIES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|--|---|--------------------|
| Augustus Insurance Company Limited | 1,903,345 | 1,130,219 |
| TTMB Holdings Limited | 450,000 | - |
| AELS 101 Limited | 1 | - |
| Altermead Limited | 12,500 | - |
| RMB 101 Limited | 2 | - |
| Hambledon Road Management Limited | 12 | - |
| E&J 1002 Limited | 1 | - |
| E&J 1003 Limited | 1 | - |
| James Tuttiett Developments Limited | (6,019) | - |
| Oakdene (Fair Oak) Property Management Co. Limited | 51 | - |
| R.M.B. Trading Limited | - | - |
| | 2,359,894 | 1,130,219 |

Listed investments

The fair value of the listed investments at 31 March 2018 was £2,996,002 (2017 - £59,550).

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Fixed asset investments (continued)

Company

| | Investments in subsidiary companies £ | Investments in associates £ | Listed investments £ | Total £ |
|--------------------------|---|--------------------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2017 | 324,000 | 348,168 | 59,550 | 731,718 |
| Additions | - | - | 3,279,980 | 3,279,980 |
| Disposals | - | - | (223,416) | (223,416) |
| Revaluations | - | - | (120,112) | (120,112) |
| At 31 March 2018 | 324,000 | 348,168 | 2,996,002 | 3,668,170 |
| Net book value | | | | |
| At 31 March 2018 | 324,000 | 348,168 | 2,996,002 | 3,668,170 |
| At 31 March 2017 | 324,000 | 348,168 | 59,550 | 731,718 |

A E L PROPERTIES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Investment properties

Group and Company

| | Freehold investment properties £ |
|-------------------------|---|
| Valuation | |
| At 1 April 2017 | 6,926,874 |
| Additions at cost | 2,963,595 |
| Surplus on revaluation | 30,576 |
| At 31 March 2018 | 9,921,045 |

The 2018 valuations were made by the director, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

| | 2018 £ | 2017 £ |
|---------------|------------------|------------------|
| Historic cost | 9,113,798 | 6,150,203 |
| | <u>9,113,798</u> | <u>6,150,203</u> |

13. Debtors

| | Group 2018 £ | Group 2017 £ | Company 2018 £ | Company 2017 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due after more than one year | | | | |
| Other debtors | 185,808 | - | 185,808 | - |
| | <u>185,808</u> | <u>-</u> | <u>185,808</u> | <u>-</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. Debtors (continued)

Other debtors include interest free loans of £215,000 which have been shown at present value of £187,808 at the balance sheet date, using a market rate interest of 5%. These loans are secured against a property.

| | Group 2018 £ | Group 2017 £ | Company 2018 £ | Company 2017 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Due within one year | | | | |
| Trade debtors | 3,515,232 | 3,351,559 | 65,477 | 61,824 |
| Amounts owed by group undertakings | - | - | 589,412 | 405,318 |
| Amounts owed by joint ventures and associated undertakings | 88,582 | 2,138,609 | 88,582 | 2,138,609 |
| Other debtors | 103,694 | 860,356 | 99,186 | 857,403 |
| Prepayments and accrued income | 656,364 | 599,250 | 44,093 | 35,857 |
| | <u>4,363,872</u> | <u>6,949,774</u> | <u>886,750</u> | <u>3,499,011</u> |

14. Current asset investments

| | Group 2018 £ | Group 2017 £ | Company 2018 £ | Company 2017 £ |
|----------------------|--------------------|--------------------|----------------------|----------------------|
| Unlisted investments | 4,523,534 | 2,854,633 | - | - |
| | <u>4,523,534</u> | <u>2,854,633</u> | <u>-</u> | <u>-</u> |

15. Cash and cash equivalents

| | Group 2018 £ | Group 2017 £ | Company 2018 £ | Company 2017 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | 2,955,475 | 1,773,402 | 2,873,186 | 1,595,384 |
| | <u>2,955,475</u> | <u>1,773,402</u> | <u>2,873,186</u> | <u>1,595,384</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. Creditors: Amounts falling due within one year

| | Group 2018 £ | Group 2017 £ | Company 2018 £ | Company 2017 £ |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other loans | 87,431 | - | 87,431 | - |
| Trade creditors | 648,689 | 471,225 | 44,817 | 36,551 |
| Corporation tax | 142,293 | 91,064 | 142,292 | 91,063 |
| Other creditors | 11,108,245 | 6,877,208 | 5,544,184 | 1,766,245 |
| Accruals and deferred income | 153,002 | 246,162 | 141,284 | 81,457 |
| | <u>12,139,660</u> | <u>7,685,659</u> | <u>5,960,008</u> | <u>1,975,316</u> |

17. Creditors: Amounts falling due after more than one year

| | Group 2018 £ | Group 2017 £ | Company 2018 £ | Company 2017 £ |
|-------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other loans | - | 87,434 | - | 87,434 |
| | <u>-</u> | <u>87,434</u> | <u>-</u> | <u>87,434</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Financial instruments

| | Group 2018 £ | Group 2017 £ | Company 2018 £ | Company 2017 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 2,955,475 | 1,773,402 | 2,873,186 | 1,595,384 |
| Financial assets that are debt instruments measured at amortised cost | 8,416,849 | 9,227,338 | 1,028,463 | 3,485,335 |
| | <u>11,372,324</u> | <u>11,000,740</u> | <u>3,901,649</u> | <u>5,080,719</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | (12,499,346) | (7,704,209) | (5,730,281) | (1,993,868) |

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, investments in unlisted shares and other receivables.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and other loans.

19. Deferred taxation

Group

| | 2018 £ |
|---------------------------|------------------|
| At beginning of year | (132,034) |
| Charged to profit or loss | (5,198) |
| At end of year | <u>(137,232)</u> |

A E L PROPERTIES (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

| | Group 2018 £ | <i>Group 2017 £</i> | Company 2018 £ | <i>Company 2017 £</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Revaluation of investment property | (137,232) | (132,034) | (137,232) | (132,034) |
| | <u>(137,232)</u> | <u>(132,034)</u> | <u>(137,232)</u> | <u>(132,034)</u> |

20. Share capital

| | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Allotted, called up and fully paid | | |
| 100 (2017 - 100) Ordinary shares of 1.00 each | <u>54</u> | <u>54</u> |

21. Reserves

Other reserves

Includes increases in the fair value of investment properties and decreases to the extent that such decreases relate to the increase on the same asset. The figure is stated net of the associated deferred tax asset or liability. This reserve is non-distributable.

Profit and loss account

Includes all current and prior period retained profits and losses.

22. Related party transactions

Included in debtors is £7,102 (2017: £3,030) due from a director of the company.

FRS 102 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

23. Controlling party

The Company is jointly controlled by J E Tuttiett and M J Johnson.