

Company Registration No. 03930321 (England and Wales)

**ABERCORN EDUCATION LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**COMPANIES HOUSE COPY**



# **ABERCORN EDUCATION LTD**

## **COMPANY INFORMATION**

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<b>Directors</b>	A S Greystoke J Clarke S P Redrupp A M F Snell D W Morse	(Appointed 29 September 2016)    (Appointed 1 June 2016)
<b>Secretary</b>	Connaught Secretaries Limited	
<b>Company number</b>	03930321	
<b>Registered office</b>	42-50 Hersham Road Walton-on-Thames Surrey United Kingdom KT12 1RZ	
<b>Auditor</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW	

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# **ABERCORN EDUCATION LTD**

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# **ABERCORN EDUCATION LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

#### **Principal activities**

The principal activity of the company in the year is the renting of a school to a fellow subsidiary, Abercorn School Limited.

#### **Directors**

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

A S Greystoke

J Clarke

(Appointed 29 September 2016)

A P Millard

(Retired 31 May 2016)

S P Redrupp

A M F Snell

D W Morse

(Appointed 1 June 2016)

#### **Auditor**

UHY Hacker Young were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **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.

**ABERCORN EDUCATION LTD**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

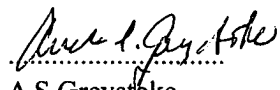
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**Statement of disclosure to auditor**

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.

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 S Greystoke

**Director**

*18 May 2017*

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ABERCORN EDUCATION LTD**

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We have audited the financial statements of Abercorn Education Ltd for the year ended 31 August 2016 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF ABERCORN EDUCATION LTD**

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**Matters on which we are required to report by exception**

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 material misstatements in the Directors' Report.

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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



**Colin Wright (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

*22 May 2017*  
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**Chartered Accountants**  
**Statutory Auditor**

**ABERCORN EDUCATION LTD****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2016**

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	<b>Notes</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Turnover</b>		652,011	500,000
Administrative expenses		(207,981)	(228,487)
		<hr/>	<hr/>
<b>Operating profit</b>		444,030	271,513
 Interest receivable and similar income		-	874,983
Interest payable and similar expenses		(177,402)	(183,903)
		<hr/>	<hr/>
<b>Profit before taxation</b>		266,628	962,593
 Taxation		(56,678)	(189,057)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<u>209,950</u>	<u>773,536</u>

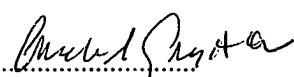
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**ABERCORN EDUCATION LTD****BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	3	15,540,076		15,481,800	
<b>Current assets</b>					
Debtors	4	3,374,143		3,449,810	
Cash at bank and in hand		44,359		-	
		<u>3,418,502</u>		<u>3,449,810</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(1,908,706)</u>		<u>(2,876,827)</u>	
<b>Net current assets</b>		1,509,796		572,983	
<b>Total assets less current liabilities</b>		<u>17,049,872</u>		<u>16,054,783</u>	
<b>Creditors: amounts falling due after more than one year</b>	6	(5,640,985)		(4,862,599)	
<b>Provisions for deferred tax liability</b>		<u>(1,835,915)</u>		<u>(1,829,162)</u>	
<b>Net assets</b>		<u>9,572,972</u>		<u>9,363,022</u>	
<b>Capital and reserves</b>					
Called up share capital	7	50,000		50,000	
Revaluation reserve	8	8,332,849		8,332,849	
Profit and loss reserves		1,190,123		980,173	
<b>Total equity</b>		<u>9,572,972</u>		<u>9,363,022</u>	

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 18 May 2017 and are signed on its behalf by:

  
A S Greystoke  
Director

Company Registration No. 03930321

# **ABERCORN EDUCATION LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016**

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### **1 Accounting policies**

#### **Company information**

Abercorn Education Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 42-50 Hersham Road, Walton-on-Thames, Surrey, United Kingdom, KT12 1RZ.

#### **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. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 August 2016 are the first financial statements of Abercorn Education Ltd 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 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

#### **1.2 Going concern**

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

#### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of rent charged to a fellow subsidiary company.

#### **1.4 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.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	50 years with a residual value of 75%
Land and buildings Leasehold	25 years

# **ABERCORN EDUCATION LTD**

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

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **1 Accounting policies**

**(Continued)**

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.

##### **1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

# **ABERCORN EDUCATION LTD**

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

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### **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.

#### ***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 payments 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.

### **1.8 Equity instruments**

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

### **1.9 Taxation**

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

#### ***Current tax***

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

### **1.10 Leases**

**ABERCORN EDUCATION LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****1 Accounting policies****(Continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**2 Employees**

There were no employees in the year.

**3 Tangible fixed assets**

	<b>Land and buildings £</b>
<b>Cost</b>	
At 1 September 2015	15,500,000
Transfers	80,592
	<hr/>
At 31 August 2016	15,580,592
	<hr/>
<b>Depreciation and impairment</b>	
At 1 September 2015	18,200
Depreciation charged in the year	19,092
Transfers	3,224
	<hr/>
At 31 August 2016	40,516
	<hr/>
<b>Carrying amount</b>	
At 31 August 2016	15,540,076
	<hr/> <hr/>
At 31 August 2015	15,481,800
	<hr/> <hr/>

The properties held by the Company continue to be held as tangible assets as they do not meet the definition of an investment property. The intended use of the property is to operate as a school not to earn rentals or for long term capital appreciation.

**ABERCORN EDUCATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**4 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Amount due from parent undertaking	2,312,882	2,569,001
Amounts due from fellow group undertakings	-	874,983
Amounts due from related parties	835,833	-
Other debtors	225,428	5,826
	<u>3,374,143</u>	<u>3,449,810</u>

**5 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Bank loans and overdrafts	159,015	357,377
Amounts due to group undertakings	1,681,693	2,287,048
Corporation tax	49,925	189,057
Other creditors	-	34,345
Accruals and deferred income	18,073	9,000
	<u>1,908,706</u>	<u>2,876,827</u>

The bank loans are secured over the company's freehold land and buildings.

**6 Creditors: amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>5,640,985</u>	<u>4,862,599</u>

During the year, the company, drew down a new £5.8m facility with The Royal Bank of Scotland. The loan is secured by a fixed charge over properties held within Abercorn Education Ltd the directors' valuation of these properties amounted to £15m as at 31 August 2016. The interest rate charged on the facility is fixed at 2.84% for the first tranche of £1,934k, 2.86% for the second tranche of £1,933k and 2.83% for the third tranche of £1,933k.

The loan is fully repayable in 60 months.

# ABERCORN EDUCATION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 7 Called up share capital

	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50,000 Ordinary Shares of £1 each	50,000	50,000

### 8 Revaluation reserve

	2016	2015
	£	£
At beginning and end of year	8,332,849	8,332,849

### 9 Related party transactions

At the balance sheet date the company was owed £835,833 (2015: £874,983) from Astroline Limited, a company controlled by is A S Greystoke.

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### 10 Parent company

At the year end the company's ultimate parent company is Sea Cloud 1 Limited, a company incorporated in Great Britain and registered in England and Wales on 7 April 2016.

### 11 Reconciliations on adoption of FRS 102

Under previous UK GAAP the amounts due from parent undertaking were classified as due after twelve months and recognised in the statement of financial position as a debtor due after more than one year. Under FRS 102, if such a loan is given, in the absence of a contract which states a repayment date that is in greater than twelve months, then the amount is to be recognised as a debtor due within one year.

This change has increased the debtors due in less than one year and decreased the debtors due in greater than one year, resulting in a nil effect on the net assets.

**ABERCORN EDUCATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**11 Reconciliations on adoption of FRS 102**

**(Continued)**

**Reconciliation of equity**

	<b>1 September 2014</b>	<b>31 August 2015</b>
<b>Notes</b>	<b>£</b>	<b>£</b>
Equity as reported under previous UK GAAP	10,418,648	11,192,184
Adjustments arising from transition to FRS 102:		
Deferred tax on revaluation reserve	(1,829,162)	(1,829,162)
Equity reported under FRS 102	<u>8,589,486</u>	<u>9,363,022</u>

**Reconciliation of profit for the financial period**

	<b>2015 £</b>
Profit as reported under previous UK GAAP and under FRS 102	<u>773,536</u>

**Reconciliation of equity**

	<b>At 1 September 2014</b>			<b>At 31 August 2015</b>		
	<b>Previous UK GAAP</b>	<b>Effect of transition</b>	<b>FRS 102</b>	<b>Previous UK GAAP</b>	<b>Effect of transition</b>	<b>FRS 102</b>
<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>						
Tangible assets	15,500,000	-	15,500,000	15,481,800	-	15,481,800
<b>Current assets</b>						
Debtors	2,577,496	-	2,577,496	3,449,810	-	3,449,810

**ABERCORN EDUCATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**11 Reconciliations on adoption of FRS 102**

**(Continued)**

	At 1 September 2014			At 31 August 2015		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
Notes	£	£	£	£	£	£
<b>Creditors due within one year</b>						
Loans and overdrafts	(343,914)	-	(343,914)	(357,377)	-	(357,377)
Taxation	(47,489)	-	(47,489)	(189,057)	-	(189,057)
Other creditors	(2,041,813)	-	(2,041,813)	(2,330,393)	-	(2,330,393)
	(2,433,216)	-	(2,433,216)	(2,876,827)	-	(2,876,827)
Net current assets	144,280	-	144,280	572,983	-	572,983
Total assets less current liabilities	15,644,280	-	15,644,280	16,054,783	-	16,054,783
<b>Creditors due after one year</b>						
Loans and overdrafts	(5,225,632)	-	(5,225,632)	(4,862,599)	-	(4,862,599)
<b>Provisions for liabilities</b>						
Deferred tax	-	(1,829,162)	(1,829,162)	-	(1,829,162)	(1,829,162)
Net assets	10,418,648	(1,829,162)	8,589,486	11,192,184	(1,829,162)	9,363,022
<b>Capital and reserves</b>						
Share capital	50,000	-	50,000	50,000	-	50,000
Revaluation reserve	10,162,011	(1,829,162)	8,332,849	10,162,011	(1,829,162)	8,332,849
Profit and loss	206,637	-	206,637	980,173	-	980,173
Total equity	10,418,648	(1,829,162)	8,589,486	11,192,184	(1,829,162)	9,363,022

**ABERCORN EDUCATION LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016****11 Reconciliations on adoption of FRS 102****(Continued)****Reconciliation of profit for the financial period**

	Notes	Year ended 31 August 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		500,000	-	500,000
Administrative expenses		(228,487)	-	(228,487)
Interest receivable and similar income		874,983	-	874,983
Interest payable and similar expenses		(183,903)	-	(183,903)
Profit before taxation		962,593	-	962,593
Taxation		(189,057)	-	(189,057)
Profit for the financial period		773,536	-	773,536

**Notes to reconciliations on adoption of FRS 102****Deferred Tax**

The company has accounted for deferred taxation on transition as follows:

Revaluation of land and buildings – Under previous UK GAAP the company was not required to provide for taxation on revaluations, unless the company had entered into a binding sale agreement and recognised the gain or loss expected to arise. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation. A deferred tax charge of £1,829,161 arose on transition to FRS 102.