

COMPANY REGISTRATION NUMBER: 04032032

Hurstlane Limited
Financial Statements
31 March 2017

UHY HACKER YOUNG (S.E.) LIMITED

Chartered Accountants & statutory auditor
168 Church Road
Hove
East Sussex
BN3 2DL

WEDNESDAY



A6LNCKJ6

A19

20/12/2017

#327

COMPANIES HOUSE

Hurstlane Limited

Financial Statements

Year ended 31 March 2017

Contents	Page
Strategic report	1
Directors' report	3
Independent auditor's report to the members	5
Consolidated statement of comprehensive income	7
Consolidated statement of financial position	8
Company statement of financial position	9
Consolidated statement of changes in equity	10
Company statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the financial statements	13

Hurstlane Limited

Strategic Report

Year ended 31 March 2017

The directors present their strategic report and the financial statements of the group and company for the year ended 31 March 2017.

Principal activities and business review

The principal activity of the group during the year was that of property investment & development and managing and operating residential nursing homes.

The directors are pleased to report a group profit for the financial year after tax of £1,276,705 (2016: £336,783).

Key performance indicators

The main financial and non-financial KPIs of the business are occupancy, turnover and cash management.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are:

Regulation risk. The group is regulated by the Care Quality Commission, which oversees the standards of care.

Fluctuations in property values, which would affect the net asset value.

Use of financial instruments

The group does not use financial instruments except for the bank loans used to purchase properties.

Financial risk management objectives and policies

The primary financial risk management objective is to ensure sufficient working capital for the group, this is achieved by careful management of cash balances.

Future developments

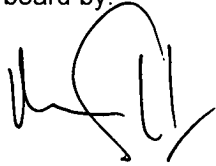
The group is continually looking for opportunities to grow the business.

Hurstlane Limited

Strategic Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 18 December 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'M. Sheikh', written over a horizontal line.

M Sheikh
Director

Registered office:
Castle House
69 -70 Victoria Street
Englefield Green
Surrey
TW20 0QX

Hurstlane Limited

Directors' Report

Year ended 31 March 2017

The directors present their report and the financial statements of the group for the year ended 31 March 2017.

Directors

The directors who served the company during the year were as follows:

A Sheikh
M Sheikh

Dividends

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:


- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
 - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.
-

Hurstlane Limited

Directors' Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 18 December 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'M. Sheikh', written over a horizontal line.

M Sheikh
Director

Registered office:
Castle House
69 -70 Victoria Street
Englefield Green
Surrey
TW20 0QX

Hurstlane Limited

Independent Auditor's Report to the Members of Hurstlane Limited

Year ended 31 March 2017

We have audited the financial statements of Hurstlane Limited for the year ended 31 March 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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, 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 group's and the parent 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 strategic report and the directors' 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 group's and of the parent company's affairs as at 31 March 2017 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Hurstlane Limited

Independent Auditor's Report to the Members of Hurstlane Limited *(continued)*

Year ended 31 March 2017

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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Shabir Thantrey (Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young (S.E.) Limited
Chartered Accountants & statutory auditor
168 Church Road
Hove
East Sussex
BN3 2DL

18 December 2017

Hurstlane Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	4,719,761	4,183,979
Cost of sales		1,282,721	1,882,077
Gross profit		<u>3,437,040</u>	<u>2,301,902</u>
Administrative expenses		2,230,781	1,825,825
Operating profit	5	<u>1,206,259</u>	<u>476,077</u>
Interest payable and similar expenses	9	82,313	89,146
Profit before taxation		<u>1,123,946</u>	<u>386,931</u>
Tax on profit	10	(152,759)	50,148
Profit for the financial year		<u>1,276,705</u>	<u>336,783</u>
Tax relating to components of other comprehensive income		89,039	(31,823)
Total comprehensive income for the year		<u>1,365,744</u>	<u>304,960</u>

All the activities of the group are from continuing operations.

The notes on pages 13 to 26 form part of these financial statements.


Hurstlane Limited

Consolidated Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	1	1
Tangible assets	12	27,381,027	22,004,012
		<u>27,381,028</u>	<u>22,004,013</u>
Current assets			
Stocks	14	2,966,528	8,329,244
Debtors	15	279,519	215,030
Cash at bank and in hand		196,696	2,357
		<u>3,442,743</u>	<u>8,546,631</u>
Creditors: amounts falling due within one year	17	3,947,240	6,093,987
Net current (liabilities)/assets		<u>(504,497)</u>	<u>2,452,644</u>
Total assets less current liabilities		26,876,531	24,456,657
Creditors: amounts falling due after more than one year	18	4,917,381	3,374,223
Provisions	19	3,196,411	3,685,439
Net assets		<u>18,762,739</u>	<u>17,396,995</u>
Capital and reserves			
Called up share capital	22	1	1
Revaluation reserve	23	3,339,524	3,250,484
Other reserves, including the fair value reserve	23	13,238,498	12,759,999
Profit and loss account	23	2,184,716	1,386,511
Shareholders funds		<u>18,762,739</u>	<u>17,396,995</u>

These financial statements were approved by the board of directors and authorised for issue on 18 December 2017, and are signed on behalf of the board by:



M Sheikh
Director

Company registration number: 04032032

The notes on pages 13 to 26 form part of these financial statements.

Hurstlane Limited

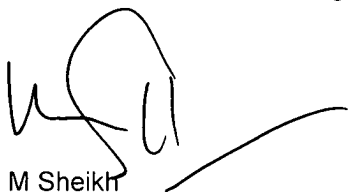
Company Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	27,350,398	21,969,439
Investments	13	150,000	150,000
		<u>27,500,398</u>	<u>22,119,439</u>
Current assets			
Stocks	14	2,966,528	8,329,244
Debtors	15	1,874,108	1,677,366
Cash at bank and in hand		180,566	573
		<u>5,021,202</u>	<u>10,007,183</u>
Creditors: amounts falling due within one year	17	6,131,129	7,919,228
Net current (liabilities)/assets		<u>(1,109,927)</u>	<u>2,087,955</u>
Total assets less current liabilities		26,390,471	24,207,394
Creditors: amounts falling due after more than one year	18	4,917,381	3,374,223
Provisions	19	3,192,739	3,680,736
Net assets		<u>18,280,351</u>	<u>17,152,435</u>
Capital and reserves			
Called up share capital	22	1	1
Other reserves, including the fair value reserve	23	16,578,022	16,010,483
Profit and loss account	23	1,702,328	1,141,951
Shareholders funds		<u>18,280,351</u>	<u>17,152,435</u>

The profit for the financial year of the parent company was £1,127,916 (2016: £23,976).

These financial statements were approved by the board of directors and authorised for issue on 18 December 2017, and are signed on behalf of the board by:



M Sheikh
Director

Company registration number: 04032032

The notes on pages 13 to 26 form part of these financial statements.

Hurstlane Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2017

	Called up share capital £	Revaluation reserve £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
At 1 April 2015	1	3,282,307	13,072,009	737,718	17,092,035
Profit for the year				336,783	336,783
Other comprehensive income for the year:					
Transfer on disposal	–	–	(312,010)	312,010	–
Tax relating to components of other comprehensive income 10	–	(31,823)	–	–	(31,823)
Total comprehensive income for the year	–	(31,823)	(312,010)	648,793	304,960
At 31 March 2016	1	3,250,485	12,759,998	1,386,511	17,396,995
Profit for the year				1,276,705	1,276,705
Other comprehensive income for the year:					
Tax relating to components of other comprehensive income 10	–	89,039	–	–	89,039
Total comprehensive income for the year	–	89,039	–	1,276,705	1,365,744
Transfer of deferred tax on property gains			478,500	(478,500)	–
At 31 March 2017	<u>1</u>	<u>3,339,524</u>	<u>13,238,498</u>	<u>2,184,716</u>	<u>18,762,739</u>

The notes on pages 13 to 26 form part of these financial statements.

Hurstlane Limited

Company Statement of Changes in Equity

Year ended 31 March 2017

	Called up share capital £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
At 1 April 2015	1	16,354,316	774,142	17,128,459
Profit for the year and total comprehensive income for the year			23,976	23,976
Transfer of deferred tax on investment property gains	–	(31,823)	31,823	–
Transfer on disposal	–	(312,010)	312,010	–
	–	(343,833)	367,809	23,976
At 31 March 2016	1	16,010,483	1,141,951	17,152,435
Profit for the year and total comprehensive income for the year			1,127,916	1,127,916
Transfer of deferred tax on investment property gains	–	567,539	(567,539)	–
	–	567,539	560,377	1,127,916
At 31 March 2017	1	16,578,022	1,702,328	18,280,351

The notes on pages 13 to 26 form part of these financial statements.

Hurstlane Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the financial year		1,276,705	336,783
<i>Adjustments for:</i>			
Depreciation of tangible assets		12,683	27,176
Interest payable and similar expenses		82,313	89,146
Loss on disposal of investment property		—	380,209
Tax on profit		(152,759)	50,148
Accrued expenses/(income)		8,934	(133,391)
<i>Changes in:</i>			
Stocks		5,362,716	(4,004,242)
Trade and other debtors		(64,490)	(27,244)
Trade and other creditors		(502,859)	2,213,798
Provisions and employee benefits		—	(215,250)
Cash generated from operations		6,023,243	(1,282,867)
Interest paid		(82,313)	(89,146)
Tax (paid)/received		(85,317)	45,497
Net cash from/(used in) operating activities		<u>5,855,613</u>	<u>(1,326,516)</u>
Cash flows from investing activities			
Purchase of tangible assets		(5,389,698)	(21,130)
Proceeds from sale of tangible assets		—	499,950
Net cash (used in)/from investing activities		<u>(5,389,698)</u>	<u>478,820</u>
Cash flows from financing activities			
Proceeds from borrowings		(245,259)	407,102
Repayments of loans from group undertakings		—	204,750
Net cash (used in)/from financing activities		<u>(245,259)</u>	<u>611,852</u>
Net increase/(decrease) in cash and cash equivalents		220,656	(235,844)
Cash and cash equivalents at beginning of year		<u>(31,824)</u>	<u>204,020</u>
Cash and cash equivalents at end of year	16	<u>188,832</u>	<u>(31,824)</u>

The notes on pages 13 to 26 form part of these financial statements.

Hurstlane Limited

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Castle House, 69 -70 Victoria Street, Englefield Green, Surrey, TW20 0QX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

Consolidation

The financial statements consolidate the financial statements of Hurstlane Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Consolidation *(continued)*

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- property valuations

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 2% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017 £	2016 £
Rendering of services	2,135,765	1,866,542
Property development sales	1,874,851	1,879,850
Rental and sundry income	709,145	437,587
	<u>4,719,761</u>	<u>4,183,979</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	12,683	27,176
Loss on disposal of investment property	—	380,209
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	9,100	9,100
	<u> </u>	<u> </u>

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Administrative staff	69	60
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	1,570,367	1,011,456
Social security costs	117,965	69,930
Other pension costs	7,716	6,494
	<u>1,696,048</u>	<u>1,087,880</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	55,183	66,600
	<u> </u>	<u> </u>

9. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	77,266	89,146
Other interest payable and similar charges	5,047	—
	<u>82,313</u>	<u>89,146</u>

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

10. Tax on profit

Major components of tax (income)/expense

	2017 £	2016 £
Current tax:		
UK current tax expense	149,365	46,081
Adjustments in respect of prior periods	97,864	—
Total current tax	<u>247,229</u>	<u>46,081</u>
Deferred tax:		
Origination and reversal of timing differences	(399,988)	4,067
Tax on profit	<u>(152,759)</u>	<u>50,148</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £(89,039) (2016: £31,823).

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 200%).

	2017 £	2016 £
Profit on ordinary activities before taxation	1,123,946	386,931
Profit on ordinary activities by rate of tax	224,471	77,386
Adjustment to tax charge in respect of prior periods	97,863	—
Effect of expenses not deductible for tax purposes	5,862	82,077
Effect of capital allowances and depreciation	(80,967)	(113,382)
Deferred tax	(399,988)	4,067
Tax on profit	<u>(152,759)</u>	<u>50,148</u>

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

11. Intangible assets

Group	Goodwill £
Cost	
At 1 April 2016 and 31 March 2017	<u>149,900</u>
Amortisation	
At 1 April 2016 and 31 March 2017	<u>149,899</u>
Carrying amount	
At 1 April 2016 and 31 March 2017	<u>1</u>
At 31 March 2016	<u>1</u>

The company has no intangible assets.

The goodwill arose on the acquisition of Bridge House Holdings Limited.

12. Tangible assets

Group	Freehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2016	21,950,001	313,455	25,798	22,289,254
Additions	<u>5,385,362</u>	<u>4,336</u>	<u>—</u>	<u>5,389,698</u>
At 31 March 2017	<u>27,335,363</u>	<u>317,791</u>	<u>25,798</u>	<u>27,678,952</u>
Depreciation				
At 1 April 2016	—	267,041	18,201	285,242
Charge for the year	<u>—</u>	<u>10,784</u>	<u>1,899</u>	<u>12,683</u>
At 31 March 2017	<u>—</u>	<u>277,825</u>	<u>20,100</u>	<u>297,925</u>
Carrying amount				
At 31 March 2017	<u>27,335,363</u>	<u>39,966</u>	<u>5,698</u>	<u>27,381,027</u>
At 31 March 2016	<u>21,950,001</u>	<u>46,414</u>	<u>7,597</u>	<u>22,004,012</u>

Hurstlane Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

12. Tangible assets (continued)

Company	Freehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2016	21,950,001	85,859	25,798	22,061,658
Additions	5,385,362	—	—	5,385,362
At 31 March 2017	<u>27,335,363</u>	<u>85,859</u>	<u>25,798</u>	<u>27,447,020</u>
Depreciation				
At 1 April 2016	—	74,018	18,201	92,219
Charge for the year	—	2,504	1,899	4,403
At 31 March 2017	<u>—</u>	<u>76,522</u>	<u>20,100</u>	<u>96,622</u>
Carrying amount				
At 31 March 2017	<u>27,335,363</u>	<u>9,337</u>	<u>5,698</u>	<u>27,350,398</u>
At 31 March 2016	<u>21,950,001</u>	<u>11,841</u>	<u>7,597</u>	<u>21,969,439</u>

Tangible assets held at valuation

The freehold property has been valued by the directors on a fair value basis as at 31 March 2017.

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group and company	Freehold property £
At 31 March 2017	
Aggregate cost	8,348,956
Aggregate depreciation	—
Carrying value	<u>8,348,956</u>
At 31 March 2016	
Aggregate cost	2,213,594
Aggregate depreciation	—
Carrying value	<u>2,213,594</u>

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 April 2016 and 31 March 2017	<u>150,000</u>
Impairment	
At 1 April 2016 and 31 March 2017	<u>—</u>
Carrying amount	
At 1 April 2016 and 31 March 2017	<u>150,000</u>
At 31 March 2016	<u>150,000</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Bridge House Holdings Limited	Ordinary	100

14. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Property development costs	<u>2,966,528</u>	<u>8,329,244</u>	<u>2,966,528</u>	<u>8,329,244</u>

15. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	274,922	179,405	—	—
Amounts owed by group undertakings	—	—	1,869,511	1,652,117
Prepayments and accrued income	4,597	28,428	4,597	25,249
Other debtors	—	7,197	—	—
	<u>279,519</u>	<u>215,030</u>	<u>1,874,108</u>	<u>1,677,366</u>

Hurstlane Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017 £	2016 £
Cash at bank and in hand	196,696	2,357
Bank overdrafts	(7,864)	(34,181)
	<u>188,832</u>	<u>(31,824)</u>

17. Creditors: amounts falling due within one year

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Bank loans and overdrafts	161,739	1,976,473	153,875	1,945,296
Trade creditors	161,169	90,302	60,302	61,029
Accruals and deferred income	28,525	19,591	10,891	2,212
Corporation tax	303,758	141,846	177,053	50,268
Social security and other taxes	87,447	26,317	—	—
Amounts owed to related parties	3,096,569	3,738,050	5,729,008	5,829,501
Other creditors	108,033	101,408	—	30,922
	<u>3,947,240</u>	<u>6,093,987</u>	<u>6,131,129</u>	<u>7,919,228</u>

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Bank loans and overdrafts	<u>4,917,381</u>	<u>3,374,223</u>	<u>4,917,381</u>	<u>3,374,223</u>

The bank loans are secured by a debenture over the assets of the company and by cross guarantees given by related party companies.

19. Provisions

Group	Deferred tax (note 20) £
At 1 April 2016	3,685,438
Additions	(489,027)
At 31 March 2017	<u>3,196,411</u>
Company	Deferred tax (note 20) £
At 1 April 2016	3,680,735
Additions	(487,996)
At 31 March 2017	<u>3,192,739</u>

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 19)	<u>3,196,411</u>	<u>3,685,439</u>	<u>3,192,739</u>	<u>3,680,736</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	38,029	(40,482)	34,357	(45,185)
Revaluation of tangible assets	446,882	535,921	446,882	535,921
Fair value adjustment of investment property	<u>2,711,500</u>	<u>3,190,000</u>	<u>2,711,500</u>	<u>3,190,000</u>
	<u>3,196,411</u>	<u>3,685,439</u>	<u>3,192,739</u>	<u>3,680,736</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £7,716 (2016: £6,494).

22. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

23. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income, net of deferred tax.

Other reserve (non-distributable) - This reserve is used to record changes in the fair value of investment properties, net of deferred tax.

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Related party transactions

Group

At 31 March 2017, creditors include loans from companies under the common control of the directors to the value of £3,846,569 (2016: £3,738,050). These related party loans are interest free, are unsecured and have no fixed terms of repayment.

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

24. Related party transactions *(continued)*

Company

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group.

Total director's remuneration during the year was £55,186 (2016: £66,600).

At 31 March 2017, creditors include loans from companies under the common control of the directors to the value of £6,479,008 (2016: £5,829,510). These related party loans are interest free, are unsecured and have no fixed terms of repayment.

25. Controlling party

The ultimate controlling parties are M Sheikh and A Sheikh.

26. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 April 2015.

Reconciliation of equity

Group	1 April 2015			31 March 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	22,890,218	–	22,890,218	22,004,013	–	22,004,013
Current assets	4,716,808	–	4,716,808	8,546,631	–	8,546,631
Creditors: amounts falling due within one year	(2,113,893)	–	(2,113,893)	(6,093,987)	–	(6,093,987)
Net current (liabilities)/assets	2,602,915	–	2,602,915	2,452,644	–	2,452,644
Total assets less current liabilities	25,493,133	–	25,493,133	24,456,657	–	24,456,657
Creditors: amounts falling due after more than one year	(4,741,049)	–	(4,741,049)	(3,374,223)	–	(3,374,223)
Provisions	(3,864,799)	(3,694,099)	(7,558,898)	40,483	(3,725,922)	(3,685,439)
Net assets	16,887,285	(3,694,099)	13,193,186	21,122,917	(3,725,922)	17,396,995
Capital and reserves	16,887,285	(3,694,099)	13,193,186	21,122,917	(3,725,922)	17,396,995

Hurstlane Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

26. Transition to FRS 102 *(continued)*

Reconciliation of equity

No transitional adjustments were required for the company.

Reconciliation of profit or loss for the year

	Year ended 31 March 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	4,183,979	–	4,183,979
Cost of sales	(1,882,077)	–	(1,882,077)
Gross profit	2,301,902	–	2,301,902
Administrative expenses	(1,825,825)	–	(1,825,825)
Operating profit	476,077	–	476,077
Interest payable and similar expenses	(89,146)	–	(89,146)
Tax on profit	(18,325)	(31,823)	(50,148)
Extraordinary items	–	–	–
Profit for the financial year	368,606	(31,823)	336,783

The accounting changes result from the requirement under FRS 102 to show changes in fair values of investment properties in profit and loss and not directly as a reserve movement. A resulting deferred tax provision is also required on the changes in fair values of investment properties and of own use operational properties, whereas under the previous UK GAAP no deferred tax provision was recognised on the revaluation of properties.