
BOWMORE ESTATES LIMITED

Directors' Report and Financial Statements

For the Year Ended 30 September 2016



BOWMORE ESTATES LIMITED

Company Information

Directors	PE Morris JM Beecham RJ Harvey JS Brand P Brownett
Registered number	5199169
Registered office	Kingfisher Business Park London Road Thrupp Stroud Gloucestershire GL5 2BY
Independent auditor	KPMG LLP (Statutory Auditor) Chartered Accountants 66 Queen Square Bristol BS1 4BE
Bankers	Barclays Bank PLC 4th Floor Bridgewater House Counterslip Finzels Reach Bristol BS1 6BX
Solicitors	BPE Solicitors St James' House St James' Square Cheltenham Gloucestershire GL50 3PR

BOWMORE ESTATES LIMITED

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BOWMORE ESTATES LIMITED

Directors' Report For the Year Ended 30 September 2016

The Directors present their report and the financial statements for the year ended 30 September 2016.

Directors' responsibilities statement

The Directors are responsible for preparing the 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 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 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 for the Company'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 Company will continue in business (as explained in note 2.1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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.

BOWMORE ESTATES LIMITED

Directors' Report (continued) For the Year Ended 30 September 2016

Results and dividends

The loss for the year, after taxation, amounted to £6,137 (2015 - profit of £468,294).

The Directors do not recommend payment of a dividend (2015 - £NIL).

Directors

The Directors who served during the year were:

PE Morris
JM Beecham
RJ Harvey
JS Brand
P Brownnett

Going concern

During the year ended 30 September 2016, until 31 March 2016 the company's principal activity was the development and sale of real estate. However, on 31 March 2016, the directors took the decision to cease trading following the sale of the company's final property. As the directors intend to liquidate the company following the settlement of the remaining net assets, which will involve a debt to equity conversion, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 2.1.

Disclosure of information to auditor

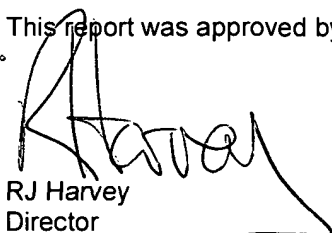
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director 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's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor.

This report was approved by the board on 23 June 2017 and signed on its behalf.


RJ Harvey
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWMORE ESTATES LIMITED

We have audited the financial statements of Bowmore Estates Limited for the year ended 30 September 2016 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 30 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWMORE ESTATES LIMITED (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Kate Teal

Kate Teal (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

29 June 2017

BOWMORE ESTATES LIMITED

**Statement of Comprehensive Income
For the Year Ended 30 September 2016**

	Note	2016 £	2015 £
Turnover	4	974,886	1,147,750
Cost of sales		(974,539)	(1,149,163)
Gross profit/(loss)		347	(1,413)
Administrative expenses		(6,749)	(237,237)
Other operating income	5	-	575,000
Operating (loss)/profit	6	(6,402)	336,350
Interest receivable and similar income	9	1,025	2,205
Interest payable and expenses	10	(374)	-
(Loss)/profit before tax		(5,751)	338,555
Tax on (loss)/profit	11	(386)	129,739
(Loss)/profit for the year		(6,137)	468,294

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015 - £NIL).

The notes on pages 8 to 16 form part of these financial statements.

BOWMORE ESTATES LIMITED
Registered number: 5199169

Balance Sheet
As at 30 September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Current assets					
Stocks	12	-		947,185	
Debtors: amounts falling due within one year	13	4,320		117,767	
Cash and cash equivalents	14	259,166		181,953	
		<u>263,486</u>		<u>1,246,905</u>	
Creditors: amounts falling due within one year	15	(7,082)		(34,364)	
Net current assets			256,404		1,212,541
Total assets less current liabilities			256,404		1,212,541
Creditors: amounts falling due after more than one year	16		(3,400,000)		(4,350,000)
Net liabilities			(3,143,596)		(3,137,459)
Capital and reserves					
Called up share capital	19		1,000		1,000
Profit and loss account			(3,144,596)		(3,138,459)
			<u>(3,143,596)</u>		<u>(3,137,459)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 June 2017.


RJ Harvey

Director

The notes on pages 8 to 16 form part of these financial statements.

BOWMORE ESTATES LIMITED

**Statement of Changes in Equity
For the Year Ended 30 September 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2015	1,000	(3,138,459)	(3,137,459)
Comprehensive income for the year			
Loss for the year	-	(6,137)	(6,137)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(6,137)	(6,137)
Total transactions with owners	-	-	-
At 30 September 2016	1,000	(3,144,596)	(3,143,596)

**Statement of Changes in Equity
For the Year Ended 30 September 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2014	1,000	(3,606,753)	(3,605,753)
Comprehensive income for the year			
Profit for the year	-	468,294	468,294
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	468,294	468,294
Total transactions with owners	-	-	-
At 30 September 2015	1,000	(3,138,459)	(3,137,459)

The notes on pages 8 to 16 form part of these financial statements.

BOWMORE ESTATES LIMITED

Notes to the Financial Statements For the Year Ended 30 September 2016

1. General information

Bowmore Estates Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. During the year ended 30 September 2016, until 31 March 2016 the company's principal activity was the development and sale of real estate. However, on 31 March 2016, the directors took the decision to cease trading following the sale of the company's final property. As the directors intend to liquidate the company following the settlement of the remaining net assets, which will involve a debt to equity conversion, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 2.1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland. In previous years, the financial statements have been prepared on a going concern basis. However, on 31 March 2016 the directors took the decision to cease trading following the sale of the company's final property. As they intend to liquidate the company following the settlement of the remaining net assets, which will involve a debt to equity conversion, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

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

The financial statements for the Company are drawn up to the nearest Saturday to 30 September. The year to 30 September 2016 comprises 53 weeks (*2015 - 52 weeks*).

The following principal accounting policies have been applied:

2.2 Cash flow

The Company has taken advantage of the exemption in FRS 102 Section 1A from the requirement to produce a cash flow statement on the grounds that it is a small company.

BOWMORE ESTATES LIMITED

Notes to the Financial Statements For the Year Ended 30 September 2016

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 Company 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Debtors are measured at transaction price, less any impairment. Loans Receivable are measured initially at the present value of future payments discounted at a market rate of interest, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments 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.

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 Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the

BOWMORE ESTATES LIMITED

Notes to the Financial Statements For the Year Ended 30 September 2016

2. Accounting policies (continued)

2.7 Financial instruments (continued)

difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company 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.

2.8 Creditors

Creditors are measured at transaction price. Other financial liabilities, including bank loans are measured initially at the present value of future payments discounted at a market rate of interest, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the 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.

2.10 Interest income

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

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change 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 operates and generates income.

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

Due to the cessation of trade, no such judgements or sources of estimation uncertainty have been identified.

4. Turnover

All turnover arose within the United Kingdom.

BOWMORE ESTATES LIMITED

**Notes to the Financial Statements
For the Year Ended 30 September 2016**

5. Other operating income

	2016 £	2015 £
Other operating income	-	575,000
	<u>-</u>	<u>575,000</u>

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2,600	2,600
	<u>2,600</u>	<u>2,600</u>

7. Employees

The Company has no employees other than Directors (2015 - NIL).

8. Directors' remuneration

Directors remuneration of £30,000 (2015 - £30,000) have been paid by the parent companies, Howard Tenens Limited and Taylor Clark Limited.

9. Interest receivable

	2016 £	2015 £
Other interest receivable	1,025	2,205
	<u>1,025</u>	<u>2,205</u>

BOWMORE ESTATES LIMITED

**Notes to the Financial Statements
For the Year Ended 30 September 2016**

10. Interest payable and similar charges

	2016	2015
	£	£
Other interest payable	374	-
	374	-

11. Taxation

	2016	2015
	£	£
Corporation tax		
Adjustments in respect of previous periods	3,867	(122,004)
Adjustments in respect of consortium relief	-	(7,735)
	3,867	(129,739)
Group taxation relief	(3,481)	-
Total current tax	386	(129,739)
Deferred tax		
Total deferred tax	-	-
Total tax charge for the year	386	(129,739)

BOWMORE ESTATES LIMITED

**Notes to the Financial Statements
For the Year Ended 30 September 2016**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.5%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(5,751)	338,555
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.5%)	(1,150)	69,404
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	14
Utilisation of tax losses	-	(68,966)
Adjustments to tax charge in respect of prior periods	3,867	(122,004)
Deferred tax movements	11,098	-
Deferred tax not recognised	(7,617)	-
Group relief surrendered/(claimed)	3,481	-
Payment/(receipt) for group relief	(3,481)	-
Transfer pricing adjustments	(5,812)	(8,187)
Total tax charge for the year	386	(129,739)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

12. Stocks

	2016 £	2015 £
Work in progress	-	447,197
Land	-	499,988
	-	947,185

BOWMORE ESTATES LIMITED

**Notes to the Financial Statements
For the Year Ended 30 September 2016**

13. Debtors

	2016 £	2015 £
Trade debtors	-	1,815
Amounts owed by group undertakings	3,481	92,361
Other debtors	839	23,150
Prepayments and accrued income	-	441
	<u>4,320</u>	<u>117,767</u>

14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	259,166	181,953
	<u>259,166</u>	<u>181,953</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,120	101
Amounts owed to connected companies	92	-
Corporation tax	-	9,863
Accruals and deferred income	3,870	24,400
	<u>7,082</u>	<u>34,364</u>

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

	2016 £	2015 £
Other loans	3,400,000	4,350,000
	<u>3,400,000</u>	<u>4,350,000</u>

BOWMORE ESTATES LIMITED

**Notes to the Financial Statements
For the Year Ended 30 September 2016**

17. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due after more than 5 years		
Loans from connected companies	3,400,000	4,350,000
	<u>3,400,000</u>	<u>4,350,000</u>

The loans from connected companies relates to long term loans provided from Tenens Associates Limited of £1,700,000 (2015 - £2,175,000) and Taylor Clark Properties Limited of £1,700,000 (2015 - £2,175,000). Interest on these loans is charged at 1.15% + 3 month LIBOR.

18. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	259,166	181,953
Financial assets that are debt instruments measured at amortised cost	4,320	117,326
	<u>263,486</u>	<u>299,279</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,407,083)	(4,374,501)
	<u>(3,407,083)</u>	<u>(4,374,501)</u>

Financial assets measured at amortised cost comprise trade and other debtors and cash.

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

BOWMORE ESTATES LIMITED

Notes to the Financial Statements For the Year Ended 30 September 2016

19. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
500 Ordinary "A" shares of £1 each	500	500
500 Ordinary "B" shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20. Related party transactions

	2016 £
Purchases from connected companies	(2,627)
	<u>(2,627)</u>

The amounts due to these companies as at the end of the year were £(3,396,611) (2015 - £(4,257,639))

21. Controlling party

The joint owners are Howard Tenens Distribution and Taylor Clark Properties Limited. Each party holds 50% of the equity share capital and voting rights of the Company.

Howard Tenens Distribution Limited is a subsidiary undertaking of Howard Tenens Limited, ultimate parent company incorporated in the United Kingdom.

The shareholding of Howard Tenens Limited is controlled by Peter Morris by virtue of him owning 54.9% of the share capital in the Company.

22. First time adoption of FRS 102

In preparing the FRS 102 balance sheet, the company has considered whether any adjustments are required to amounts reported in accordance with old UK GAAP, and concluded that no adjustments are required.