

INDEPENDENT QUALITY LEISURE LIMITED

AUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	5		511		651
Investment property	6		978,178		978,178
			<u>978,689</u>		<u>978,829</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	7	96,562		101,286	
Cash at bank and in hand		76		5	
		<u>96,638</u>		<u>101,291</u>	
Creditors: amounts falling due within one year	8	(598,820)		(51,453)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(502,182)</u>		<u>49,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>476,507</u>		<u>1,028,667</u>
Creditors: amounts falling due after more than one year	9		-		(549,769)
PROVISIONS FOR LIABILITIES					
Deferred tax	11		(81,858)		(87,776)
NET ASSETS			<u><u>394,649</u></u>		<u><u>391,122</u></u>
CAPITAL AND RESERVES					
Called up share capital	12		2		2
Profit and loss account (non-distributable)			480,789		474,898
Profit and loss account			(86,142)		(83,778)
			<u><u>394,649</u></u>		<u><u>391,122</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

INDEPENDENT QUALITY LEISURE LIMITED
REGISTERED NUMBER:06389804

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

K R Newton
Director

Date: 26 March 2018

The notes on pages 5 to 13 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Profit and loss account (non-distributable)	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2016	2	474,898	(83,778)	391,122
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	3,527	3,527
Transfer deferred tax movement on investment property revaluation	-	-	(5,891)	(5,891)
Transfer deferred tax movement on investment property revaluation	-	5,891	-	5,891
AT 30 JUNE 2017	2	480,789	(86,142)	394,649

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Profit and loss account (non-distributable)	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	2	464,339	(74,228)	390,113
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	1,009	1,009
Transfer deferred tax movement on investment property revaluation	-	-	(10,559)	(10,559)
Transfer deferred tax movement on investment property revaluation	-	10,559	-	10,559
AT 30 JUNE 2016	2	474,898	(83,778)	391,122

The notes on pages 5 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. GENERAL INFORMATION

The company, registered number 06389804, is a private company, limited by shares and registered in England and Wales. The registered office is Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, PL4 0BN. The principal activity of the company is property rental.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 GOING CONCERN

As at 30 June 2017, the company had net current liabilities of £502,182 (2016: net current assets of £49,838). The company is currently refinancing the existing debt that matures on 30 June 2018. The director is confident that this exercise will be successful and therefore the accounts have been prepared on the going concern basis.

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:

Rendering of services

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

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

2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. ACCOUNTING POLICIES (continued)

2.4 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	50%
Motor vehicles	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 INVESTMENT PROPERTY

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

2.6 FINANCIAL INSTRUMENTS

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

2.7 BORROWING COSTS

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. ACCOUNTING POLICIES (continued)

2.8 CURRENT AND DEFERRED TAXATION

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

3.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The critical judgements and estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

The investment properties are included in the balance sheet at the director's valuation. The director believes that this valuation is not materially different from the value that would be applied by an independent professional valuer.

4. EMPLOYEES

The average monthly number of employees, including directors, during the year was 1 (2016:1).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
COST			
At 1 July 2016	4,471	3,000	7,471
At 30 June 2017	4,471	3,000	7,471
DEPRECIATION			
At 1 July 2016	4,438	2,382	6,820
Charge for the year on owned assets	16	124	140
At 30 June 2017	4,454	2,506	6,960
NET BOOK VALUE			
At 30 June 2017	17	494	511
At 30 June 2016	33	618	651

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**6. INVESTMENT PROPERTY**

	Freehold investment property £
VALUATION	
At 1 July 2016	978,178
	<u>978,178</u>
AT 30 JUNE 2017	<u><u>978,178</u></u>

The 2017 valuations were made by the director, on an open market value for existing use basis.

	2017 £	2016 £
REVALUATION RESERVES		
At 1 July 2016	474,898	464,339
Deferred tax movement	5,891	10,559
	<u>480,789</u>	<u>474,898</u>
AT 30 JUNE 2017	<u><u>480,789</u></u>	<u><u>474,898</u></u>

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

	2017 £	2016 £
Historic cost	<u>415,616</u>	<u>415,616</u>

7. DEBTORS

	2017 £	2016 £
Amounts owed by group undertakings	90,820	101,286
Amounts owed by participating interests	1,000	-
Other debtors	4,742	-
	<u>96,562</u>	<u>101,286</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank overdrafts	65	65
Bank loans	581,186	31,735
Trade creditors	6,948	3,033
Amounts owed to group undertakings	760	-
Other creditors	4,821	13,241
Accruals and deferred income	5,040	3,379
	<u>598,820</u>	<u>51,453</u>

Secured loans

Bank loans of £581,186 (2016: £31,735) are secured against the company's investment properties and a guarantee of £65,000 provided by the director.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Bank loans	<u>-</u>	<u>549,769</u>

Secured loans

Bank loans of £NIL (2016: £549,769) are secured against the company's investment properties and a guarantee of £65,000 provided by the director.

10. LOANS

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Bank loans falling due within 1 year	581,186	31,735
Bank loans falling due between 1-2 years	-	231,469
Bank loans falling due after more than 5 years	-	318,300
	<u>581,186</u>	<u>581,504</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**11. DEFERRED TAXATION**

	2017 £	2016 £
At beginning of year	87,776	98,224
Charged to profit or loss	(5,918)	(10,448)
AT END OF YEAR	81,858	87,776

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	84	111
Capital gains	81,774	87,665
	81,858	87,776

12. SHARE CAPITAL

	2017 £	2016 £
ALLOTTED, CALLED UP AND FULLY PAID		
2 Ordinary shares of £1 each	2	2

13. DIRECTOR'S PERSONAL GUARANTEES

The company's bank loan is subject to a personal guarantee by the director, for a principal amount of £65,000 plus interest and other costs.

14. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary undertaking of their parent company, SBAW Group Limited, the company has taken advantage of the exemption in paragraph 33.1A of FRS102 in not disclosing intra group transactions where 100% of the voting rights are controlled within the group.

During the year, the company charged rent of £6,000 (2016: £NIL) to a company with a common director. At the year end, the company was owed £1,000 (2016: £NIL) from the company with a common director.

During the year, the company charged rent of £18,296 (2016: £11,950) and incurred costs of £1,607 (2016: £NIL) from a company with a common director. At the year end, the company owed £4,821 (2016: £3,001) to this company.

At the year end the company owed £300 (2016: £300) to a related individual.

At the year end, the company owed £NIL (2016: £10,240) to the director of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

15. CONTROLLING PARTY

The company is a wholly owned subsidiary of their parent company SBAW Group Limited (registered office Salt Quay House, 4 North East Quay, Plymouth, Devon, PL4 0BN), the consolidated accounts of which are available at Companies House, Cardiff.

16. FIRST TIME ADOPTION OF FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 July 2015

	Note	£
Equity at 1 July 2015 under previous UK GAAP		488,337
Recognition of deferred tax	1	(98,224)
		<u>390,113</u>
EQUITY SHAREHOLDERS FUNDS AT 1 JULY 2015 UNDER FRS 102		<u>390,113</u>

Reconciliation of equity at 30 June 2016

	Note	£
Equity at 30 June 2016 under previous UK GAAP		478,898
Recognition of 2015 deferred tax	1	(98,224)
Recognition of 2016 deferred tax	1	10,448
		<u>391,122</u>
EQUITY SHAREHOLDERS FUNDS AT 30 JUNE 2016 UNDER FRS 102		<u>391,122</u>

Reconciliation of profit and loss account for the year ended 30 June 2016

		£
Loss for the year under previous UK GAAP		(9,439)
Recognition of deferred tax charge	1	10,448
		<u>1,009</u>
PROFIT FOR THE YEAR ENDED 30 JUNE 2016 UNDER FRS 102		<u>1,009</u>

The unrealised investment property revaluation reserve of £562,563 has been recognised within the profit and loss reserve in accordance with FRS 102.

The following were changes in accounting policies arising from the transition to FRS 102:

1 Deferred tax is now provided on timing differences arising from the revaluation of investment property in the financial statements.

17. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 30 June 2017 was unqualified.

The audit report was signed on 27 March 2018 by Robert Davey FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.