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BEST HOLDINGS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016

Company Registration No. 08383054 (England and Wales)

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BEST HOLDINGS (UK) LIMITED

COMPANY INFORMATION

Director	Mr A Best
Secretary	Mr W Hanif
Company number	08383054
Registered office	166 College Road Harrow Middlesex HA1 1RA
Auditors	Charterhouse (Accountants) Limited 166 College Road Harrow Middlesex HA1 1RA

BEST HOLDINGS (UK) LIMITED

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BEST HOLDINGS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2016

The director presents the strategic report for the year ended 30 November 2016.

Fair review of the business

The group's results for the period and the financial position at the period end were considered by the board to be satisfactory.

During the year, part of the group's trade and related assets and liabilities were hived down into Shelfside Group LLP.

Principal risks and uncertainties

The management of the business and the execution of the group's strategies are subject to risk, the key risk being the competition in the market place.

Financial risks and uncertainties

The group's principal financial instruments comprise bank balances, bank overdrafts, bank loan, trade creditors, trade debtors and balances due from associated companies. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's trading activities.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts and bank loans.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

In respect of balances due from associated companies, the directors are aware of the individual companies' finance requirements and had determined that these will only be repaid, in whole or in part, when sufficient funds are available.

Key performance indicators

The group's key financial highlights are as follows:

	2016	2015
	£	£
Turnover	14,857,611	15,520,638
Gross profit	8,489,926	8,562,920
Profit before tax	2,377,996	716,189

BEST HOLDINGS (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

Future developments

The group had a successful year and the directors remain confident that the strategy the business continues to deploy in the market place will ensure its future stability through continued growth.

On behalf of the board



M. A. Best
Director

Date: 21.09.2017

BEST HOLDINGS (UK) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2016

The director presents his annual report and financial statements for the year ended 30 November 2016.

Principal activities

The principal activity of the parent company continued to be that of a holding company.

The principal activity of the subsidiary companies continued to be that of caravan traders, caravan park operators and property investments.

Director

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

Mr A Best

Mrs E Best

(Resigned 31 August 2016)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £58,000. The director does not recommend payment of a further dividend.

Market value of land and buildings

In the opinion of the director the market value of land and buildings is not materially different to the current net book value.

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BEST HOLDINGS (UK) LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

Statement of disclosure to auditors

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 auditors of the company and group are 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 auditors of the company and group are aware of that information.

On behalf of the board



M A Best
Director

Date: 21.09.2017

BEST HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEST HOLDINGS (UK) LIMITED

We have audited the financial statements of Best Holdings (UK) Limited for the year ended 30 November 2016 set out on pages 7 to 34. 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 3 - 4, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 the parent company's affairs as at 30 November 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 matter 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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

BEST HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

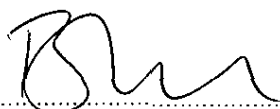
TO THE MEMBERS OF BEST HOLDINGS (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's 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 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.



.....
Barrie Cross (Senior Statutory Auditor)
for and on behalf of Charterhouse (Accountants) Limited
Statutory Auditor

Date: 26/9/17

Charterhouse (Accountants) Limited
Chartered Accountants
166 College Road
Harrow
Middlesex
HA1 1RA

BEST HOLDINGS (UK) LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	14,857,611	15,520,638
Cost of sales		(6,367,685)	(6,957,718)
Gross profit		8,489,926	8,562,920
Administrative expenses		(8,670,069)	(6,873,123)
Other operating income/(expenses)		1,981,832	(21,067)
Operating profit	4	1,801,689	1,668,730
Interest receivable and similar income	7	17,251	5,848
Interest payable and similar charges	8	(984,249)	(958,389)
Fair value gains on investment properties	13	1,543,305	-
Profit before taxation		2,377,996	716,189
Taxation	9	(583,657)	(277,028)
Profit for the financial year		1,794,339	439,161

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BEST HOLDINGS (UK) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2016

	2016 £	2015 £
Profit for the year	1,794,339	439,161
Other comprehensive income		
Revaluation of tangible fixed assets	1,280,000	-
Total comprehensive income for the year	<u>3,074,339</u>	<u>439,161</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

BEST HOLDINGS (UK) LIMITED

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	11	3,899,394		5,075,563	
Tangible assets	12	87,193,234		78,966,680	
Investment properties	13	22,465,000		20,598,622	
Investments	14	28,967,923		-	
		142,525,551		104,640,865	
Current assets					
Stocks	17	509,275	1,804,678		
Debtors	18	1,789,971	3,749,173		
Cash at bank and in hand		10,970	199,122		
		2,310,216	5,752,973		
Creditors: amounts falling due within one year	19	(6,665,207)	(9,786,494)		
Net current liabilities		(4,354,991)		(4,033,521)	
Total assets less current liabilities		138,170,560		100,607,344	
Creditors: amounts falling due after more than one year	20	(66,662,768)		(37,626,515)	
Provisions for liabilities	22	(28,854,914)		(23,425,474)	
Net assets		42,652,878		39,555,355	
Capital and reserves					
Called up share capital	25	3,232	3,232		
Share premium account		3,225,771	3,225,771		
Revaluation reserve		29,479,028	28,199,028		
Other reserves	26	2,389,199	2,389,199		
Profit and loss reserves	26	7,555,648	5,738,125		
Total equity		42,652,878		39,555,355	

The financial statements were approved by the board of directors and authorised for issue on 21.09.2017 and are signed on its behalf by:

Mr A Best
Director

BEST HOLDINGS (UK) LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12	79,730,267		71,498,549	
Investment properties	13	8,665,000		8,025,451	
Investments	14	8,587,404		1,987,402	
		<u>96,982,671</u>		<u>81,511,402</u>	
Current assets					
Debtors	18	6,606,443	6,959,896		
Cash at bank and in hand		4,612	117,167		
		<u>6,611,055</u>	<u>7,077,063</u>		
Creditors: amounts falling due within one year	19	<u>(11,915,178)</u>	<u>(15,414,825)</u>		
Net current liabilities		<u>(5,304,123)</u>		<u>(8,337,762)</u>	
Total assets less current liabilities		<u>91,678,548</u>		<u>73,173,640</u>	
Creditors: amounts falling due after more than one year	20	<u>(55,148,266)</u>		<u>(37,626,515)</u>	
Provisions for liabilities	22	<u>(7,475,345)</u>		<u>(7,027,435)</u>	
Net assets		<u>29,054,937</u>		<u>28,519,690</u>	
Capital and reserves					
Called up share capital	25	3,232	3,232		
Revaluation reserve		1,725,154	1,725,154		
Profit and loss reserves	26	27,326,551	26,791,304		
Total equity		<u>29,054,937</u>		<u>28,519,690</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £593,247 (2015 - £33,019,802 profit).

The financial statements were approved by the board of directors and authorised for issue on 21.09.2017 and are signed on its behalf by:

Mr A Best
Director

Company Registration No. 08383054

BEST HOLDINGS (UK) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2016

	Share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 December 2014	1,987,232	3,225,771	35,226,462	2,844,476	5,355,964	48,639,905
Effect of transition to FRS 102	(1,984,000)	-	(7,027,434)	(455,277)	-	(9,466,711)
As restated	3,232	3,225,771	28,199,028	2,389,199	5,355,964	39,173,194
Year ended 30 November 2015:						
Profit and total comprehensive income for the year	-	-	-	-	439,161	439,161
Dividends	10	-	-	-	(57,000)	(57,000)
Balance at 30 November 2015	3,232	3,225,771	28,199,028	2,389,199	5,738,125	39,555,355
Year ended 30 November 2016:						
Profit for the year	-	-	-	-	1,794,339	1,794,339
Other comprehensive income:						
Revaluation of tangible fixed assets	-	-	1,280,000	-	-	1,280,000
Total comprehensive income for the year	-	-	1,280,000	-	1,794,339	3,074,339
Dividends	10	-	-	-	(82,315)	(82,315)
Reduction of shares	-	-	-	-	105,499	105,499
Balance at 30 November 2016	3,232	3,225,771	29,479,028	2,389,199	7,555,648	42,652,878

BEST HOLDINGS (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 December 2014		1,987,232	2,156,442	(8,019)	4,135,655
Effect of transition to FRS 102		(1,984,000)	(431,288)	(6,163,479)	(8,578,767)
As restated		3,232	1,725,154	(6,171,498)	(4,443,112)
Year ended 30 November 2015:					
Profit and total comprehensive income for the year		-	-	33,019,802	33,019,802
Dividends	10	-	-	(57,000)	(57,000)
Balance at 30 November 2015		3,232	1,725,154	26,791,304	28,519,690
Year ended 30 November 2016:					
Profit and total comprehensive income for the year		-	-	593,247	593,247
Dividends	10	-	-	(58,000)	(58,000)
Balance at 30 November 2016		3,232	1,725,154	27,326,551	29,054,937

BEST HOLDINGS (UK) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	29	32,805,833		6,655,593	
Interest paid		(984,249)		(958,389)	
Income taxes paid		(320,131)		(191,152)	
Net cash inflow from operating activities		31,501,453		5,506,052	
Investing activities					
Purchase of intangible assets		(1,861,985)	(2,178,250)		
Purchase of tangible fixed assets		(6,759,344)	(10,921,555)		
Proceeds on disposal of tangible fixed assets		26,751	-		
Purchase of investment property		(323,073)	(625,755)		
Purchase of fixed asset investments		(26,951,244)	-		
Interest received		17,251	5,845		
Net cash used in investing activities		(35,851,644)		(13,719,715)	
Financing activities					
Increase in bank loans		5,036,244	7,513,049		
Dividends paid to equity shareholders		(82,315)	(57,000)		
Net cash generated from financing activities		4,953,929		7,456,049	
Net increase/(decrease) in cash and cash equivalents		603,738		(757,614)	
Cash and cash equivalents at beginning of year		(765,117)		(7,503)	
Cash and cash equivalents at end of year		(161,379)		(765,117)	
Relating to:					
Cash at bank and in hand		10,970		199,122	
Bank overdrafts included in creditors payable within one year		(172,349)		(964,239)	

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

Company information

Best Holdings (UK) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 166 College Road, Harrow, Middlesex, United Kingdom, HA1 1RA.

The group consists of Best Holdings (UK) Limited and all of its subsidiaries.

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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 30 November 2016 are the first financial statements of Best Holdings (UK) Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 December 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in Note 30.

The consolidated financial statements incorporate those of Best Holdings (UK) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 November 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Turnover

Turnover represents amounts receivable from pitch fees, rent received from properties, sales of mobile homes, commissions and utilities recharged net of VAT. Sales of houses taken on part exchange are also recognised in turnover on completion.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

(Continued)

1.3 Intangible fixed assets - goodwill

Goodwill is generated on the basis of the premium paid for undeveloped pitches on the parks. The annual amortisation charge is the premium paid for each undeveloped pitch on a particular park multiplied by the number of pitches developed during the year.

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% straight line basis
Plant and machinery	25% reducing balance basis
Fixtures, fittings & equipment	25% reducing balance basis
Motor vehicles	20% straight line basis

No depreciation is charged on freehold land.

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 recognised in the profit and loss account.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Fixed asset investments in trading LLPs are stated at the value of the members capital account in the LLP as at the balance sheet date.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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).

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises invoice price. Stock consists of mobile homes and houses taken in part exchange unsold at the year end.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the recoverable amount.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans 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 are not amortised.

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.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

(Continued)

1.15 Retirement benefits

The company provides pension benefits for senior employees. Under the terms of the pension contracts entered into with the senior employees, fixed sums are provided for now in order to provide pension benefits to the individuals upon their retirement. The pension contracts allow for an annual increase in respect of indexation over and above the initial contracted amount.

The director considers that the pension arrangement most closely reflects the characteristics of a defined contribution scheme as the company's contributions are fixed until the point of retirement at which point any further contributions of annual increases cease. Further information can be found in note 24 to the financial statements.

1.16 Preference shares

Redeemable preference shares have been classified as liabilities in the balance sheet. The preference dividend is charged in arriving at the interest cost in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. In the opinion of the director there is no judgements and key sources of estimation uncertainty within the financial statements.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover		
Sale of mobile homes, rentals and other income	14,857,611	15,520,638

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	112,199	95,422
Profit on disposal of tangible fixed assets	(6,160)	-
Amortisation of intangible assets	1,021,475	1,070,024

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	5,000
Audit of the financial statements of the company's subsidiaries	7,130	10,000
	<u>12,130</u>	<u>15,000</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
95	76	2	2

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	2,048,405	1,156,857	-	-
Social security costs	111,628	85,503	-	-
Pension costs	4,815,147	3,350,420	-	-
	<u>6,975,180</u>	<u>4,592,780</u>	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	1,425	3
Other interest income	15,826	5,845
	<u>17,251</u>	<u>5,848</u>

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

8 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	892,673	875,155
Other finance costs:		
Other interest	91,576	83,234
Total finance costs	984,249	958,389

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	261,121	285,030
Adjustments in respect of prior periods	16,243	(4,162)
Total current tax	277,364	280,868
Deferred tax		
Origination and reversal of timing differences	(2,368)	(3,840)
Deferred tax on fair value adjustments	308,661	-
Total deferred tax	306,293	(3,840)
Total tax charge	583,657	277,028

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	2,377,996	716,189
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	475,599	150,400
Tax effect of expenses that are not deductible in determining taxable profit	97,056	109,067
Tax effect of utilisation of tax losses not previously recognised	(989)	-
Unutilised tax losses carried forward	(673)	-
Adjustments in respect of prior years	16,243	(4,162)
Group relief	(8,845)	-
Deferred tax movement	(2,368)	(3,840)
Depreciation added back	16,356	18,262
Capital allowances	(8,722)	(16,857)
Other adjustments	-	8,286
Transition adjustments	-	15,872
Taxation charge for the year	583,657	277,028

10 Dividends on equity shares

	2016 £	2015 £
Interim paid	58,000	57,000

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 December 2015	10,380,917
Additions	1,861,985
Disposals	(7,155,411)
At 30 November 2016	5,087,491
Amortisation and impairment	
At 1 December 2015	5,305,354
Amortisation charged for the year	1,021,475
Disposals	(5,138,732)
At 30 November 2016	1,188,097

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

11 Intangible fixed assets (Continued)

Carrying amount

At 30 November 2016	3,899,394
At 30 November 2015	5,075,563

The company had no intangible fixed assets at 30 November 2016 or 30 November 2015.

12 Tangible fixed assets

Group	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 December 2015	78,796,247	390,497	55,593	75,047	79,317,384
Additions	6,686,304	-	-	73,040	6,759,344
Disposals	-	-	-	(51,015)	(51,015)
Revaluation	1,600,000	-	-	-	1,600,000
At 30 November 2016	87,082,551	390,497	55,593	97,072	87,625,713
Depreciation and impairment					
At 1 December 2015	41,333	243,291	16,197	49,883	350,704
Depreciation charged in the year	24,800	36,805	9,854	40,740	112,199
Eliminated in respect of disposals	-	-	-	(30,424)	(30,424)
At 30 November 2016	66,133	280,096	26,051	60,199	432,479
Carrying amount					
At 30 November 2016	87,016,418	110,401	29,542	36,873	87,193,234
At 30 November 2015	78,754,914	147,206	39,396	25,164	78,966,680

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

12 Tangible fixed assets

(Continued)

Company	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 December 2015	71,420,742	125,000	50,000	71,595,742
Additions	8,286,304	-	-	8,286,304
At 30 November 2016	79,707,046	125,000	50,000	79,882,046
Depreciation and impairment				
At 1 December 2015	41,333	43,360	12,500	97,193
Depreciation charged in the year	24,800	20,411	9,375	54,586
At 30 November 2016	66,133	63,771	21,875	151,779
Carrying amount				
At 30 November 2016	79,640,913	61,229	28,125	79,730,267
At 30 November 2015	71,379,409	81,640	37,500	71,498,549

The historical cost of the land and buildings included in the valuation above for the group is £55,991,520 (2015: £47,705,216). The accumulated depreciation charge is £66,133 (2015: £41,333).

The historical cost of the land and buildings included in the valuation above for the company is £48,985,793 (2015: 40,699,489). The accumulated depreciation charge is £66,133 (2015: £41,333).

13 Investment property

	Group 2016 £	Company 2016 £
Fair value		
At 1 December 2015	20,598,622	8,025,451
Additions through external acquisition	323,073	-
Net gains or losses through fair value adjustments	1,543,305	639,549
At 30 November 2016	22,465,000	8,665,000

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

13 Investment property

(Continued)

One of the properties was revalued on 6 October 2016 for £4,500,000 by an independent chartered surveyors, Alexandra Lyons Limited, who are not connected to the group. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

During the year, some of the above investment properties were revalued by the director at fair value of £13,800,000. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

In the opinion of the director, the market value of the other property is not materially different to the carrying value in the accounts as at the balance sheet date.

No depreciation is provided in respect of these properties.

The historical cost for the land and buildings included at valuation above for the group is £14,229,388 (2015: £13,906,315).

The historical cost for the land and buildings included at valuation above for the company is £5,862,111 (2015: £5,862,111).

14 Fixed asset investments

		Group 2016 £	2015 £	Company 2016 £	2015 £
	Notes				
Investments in subsidiaries	15	-	-	8,587,404	1,987,402
Unlisted investments		28,967,923	-	-	-
		<u>28,967,923</u>	<u>-</u>	<u>8,587,404</u>	<u>1,987,402</u>

The unlisted investments represent the company, Shelfside (Holdings) Limited's capital account in Shelfside Group LLP as at the balance sheet date.

Movements in fixed asset investments

Group	Investments other than loans £
Cost or valuation	
At 1 December 2015	-
Additions	28,967,923
At 30 November 2016	<u>28,967,923</u>
Carrying amount	
At 30 November 2016	<u>28,967,923</u>
At 30 November 2015	<u>-</u>

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Cost or valuation

At 1 December 2015	1,987,402
Additions	6,600,002

At 30 November 2016	8,587,404
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Carrying amount

At 30 November 2016	8,587,404
At 30 November 2015	1,987,402

15 Subsidiaries

Details of the company's subsidiaries at 30 November 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Shelfside (Holdings) Limited	England and Wales	Cravan traders and caravan park operators	Ordinary	100.00	
Shelfside Holding (Northern) Limited	England and Wales	Investing in mobile home parks	A Ordinary	100.00	
Wyldecrest Parks (Northern) Limited	England and Wales	Caravan traders and caravan park operators	Ordinary		100.00
Mobile Living Limited	England and Wales	Dormant	Ordinary		100.00
Wyldecrest Park (Management) Limited	England and Wales	Providing services to residents of the mobile home parks	Ordinary		100.00
Best Commercial Properties Limited	England and Wales	Property investment	Ordinary	100.00	
Best Holdings Leisure Limited	England and Wales	Residential caravan park proprietors	Ordinary	100.00	
Bush Pastures Park Limited	England and Wales	Property investment	Ordinary	100.00	
UBC Residential Developments Limited	England and Wales	Residential park development	Ordinary	100.00	
Wyldecrest Golf And Leisure Limited	England and Wales	Dormant	Ordinary	100.00	
Wyldecrest Parks (West) Limited	England and Wales	Dormant	Ordinary		100.00

Wyldecrest Parks (West) Limited and Wyldecrest Golf and Leisure Limited have been excluded from consolidation as they are dormant.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

16 Audit exemption of subsidiaries

For the financial year ended 30 November 2016, all the above subsidiaries, except Shelfside (Holdings) Limited, have claimed exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

17 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	509,275	1,804,678	-	-

18 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	28,664	389,642	-	-
Amounts due from group undertakings	-	-	5,537,354	5,420,977
Other debtors	793,955	2,198,997	163,522	552,568
Prepayments and accrued income	967,352	1,160,534	905,567	986,351
	1,789,971	3,749,173	6,606,443	6,959,896

19 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	4,254,190	3,702,441	4,081,841	2,738,202
Trade creditors		317,740	2,416,597	61,715	52,218
Amounts due to group undertakings		-	-	7,038,556	12,400,703
Corporation tax payable		591,768	634,535	5,505	4,682
Other taxation and social security		112,786	41,943	-	-
Other creditors		763,067	1,272,007	143,005	50,300
Accruals and deferred income		625,656	1,718,971	584,556	168,720
		6,665,207	9,786,494	11,915,178	15,414,825

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

20 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	39,335,120	35,642,515	39,335,120	35,642,515
Redeemable preference shares classified as non-equity	21	1,984,000	1,984,000	1,984,000	1,984,000
Other creditors		25,343,648	-	13,829,146	-
		<u>66,662,768</u>	<u>37,626,515</u>	<u>55,148,266</u>	<u>37,626,515</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>29,695,664</u>	<u>24,819,471</u>	<u>29,695,664</u>	<u>24,819,471</u>
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21 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	43,416,961	38,380,717	43,416,961	38,380,717
Bank overdrafts	172,349	964,239	-	-
Redeemable preference shares classified as non-equity	1,984,000	1,984,000	1,984,000	1,984,000
	<u>45,573,310</u>	<u>41,328,956</u>	<u>45,400,961</u>	<u>40,364,717</u>
Payable within one year	4,254,190	3,702,441	4,081,841	2,738,202
Payable after one year	<u>41,319,120</u>	<u>37,626,515</u>	<u>41,319,120</u>	<u>37,626,515</u>

Amounts included above which fall due after
five years:

Payable by instalments	<u>29,695,664</u>	<u>24,819,471</u>	<u>29,695,664</u>	<u>24,819,471</u>
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Bank loans are secured by a fixed and floating charge over the present and future assets of the group. Interest is charged on bank loans at commercial rates. The bank loans are fully repayable by 2036.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

22 Provisions for liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Retirement benefits	24	20,738,553	15,935,406	-	-
Deferred tax liabilities	23	8,116,361	7,490,068	7,475,345	7,027,435
		<u>28,854,914</u>	<u>23,425,474</u>	<u>7,475,345</u>	<u>7,027,435</u>

The group has entered into agreements and is contractually obliged to expend fixed sums in the future to provide retirement benefits to senior employees under the terms of their pension agreements.

Movements on provisions apart from deferred tax liabilities:

Group	£
At 1 December 2015	15,935,406
Additional provisions in the year	<u>4,803,147</u>
At 30 November 2016	<u>20,738,553</u>

23 Deferred taxation

The following are the major deferred tax liabilities recognised by the group and company, and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	4,988	7,356
Revaluations	7,983,463	7,482,712
Investment property	127,910	-
	<u>8,116,361</u>	<u>7,490,068</u>
	Liabilities 2016 £	Liabilities 2015 £
Company		
Revaluations	7,347,435	7,027,435
Investment property	127,910	-
	<u>7,475,345</u>	<u>7,027,435</u>

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

23 Deferred taxation

(Continued)

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 December 2015	7,490,068	7,027,435
Charge to profit or loss	306,293	127,910
Charge to equity	320,000	320,000
Liability at 30 November 2016	<u>8,116,361</u>	<u>7,475,345</u>

24 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>4,815,147</u>	<u>3,350,420</u>

The group provided pension benefits in respect of senior employees. Amounts payable are charged to the profit and loss account in the year the contracts are entered into between the group and the employees. The number of directors to whom benefits are accruing under these pension agreements is 1 (2015: 1).

The contributions and potential liabilities of the company in respect of the pension agreements are fixed at least until the date of retirement of the employees which is over 25 years from the year end date.

The director is of the opinion that the liability as disclosed in the financial statements represents the full and final amount which could be expected, at this stage, to be paid in the future to settle the pension agreement liabilities and it is considered that the characteristics of the pension arrangement most closely reflect those of a defined contribution scheme.

25 Share capital

	Group and company 2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
3 Ordinary shares of £1 each	3	3
3,229 Preferred Ordinary shares of £1 each	<u>3,229</u>	<u>3,229</u>
	<u>3,232</u>	<u>3,232</u>

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

26 Reserves

Other reserves

The amount in other reserves relates to pre-acquisition reserves in Best Commercial Properties Limited

Profit and loss reserves

Included within profit and loss account reserves is an amount of £633,106 in respect of Preferred Ordinary shares reserve in accordance with the Articles of Association.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

27 Related party transactions

Included in the accounts at the balance sheet date is a net amount of £117,710 (2015: other debtors £298,120) owed to Best Park Home Finance Limited, a company controlled by Mr A Best.

Included in other debtors is an amount of £Nil (2015: £617,210) owed by the director, Mr A Best at the balance sheet date. The maximum amount outstanding during the year was £617,210 and interest has been charged on this overdrawn balance amounting to £5,112 (2015: £5,845).

Included in other debtors at the balance sheet date is an amount of £Nil (2015: £418,842) owed by Best Commercial Holdings Limited, a company controlled by Mr A Best.

Included in debtors at the balance sheet date is an amount of £Nil (2015: £108,000) owed by A2ZTrade Ltd, a company controlled by Mr A Best after making a bad debt recovery of £168,000 (2015: provision £219,627).

Included in the accounts at the balance sheet date is a net amount of £25,141,703 owed to Shelfside Group LLP, a limited liability partnership in which Mr A Best is a member. During the year the group recharged expenses totalling £614,135 to and received commission, management fees and licence fees totalling £715,880 from Shelfside Group LLP. The group also received share of profit from the LLP amounting to £925,598.

Company

The company has taken advantage of the exemption in FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

Included in other creditors at the balance sheet date is a balance of £13,829,146 due to Shelfside Group LLP, a limited liability partnership in which Mr A Best is a member. During the year, the company charged management fees of £259,794 to Shelfside Group LLP.

Included in other creditors at the balance sheet date is balance of £139,404 (2015: £Nil) due to Best Park Home Finance Limited, a company controlled by Mr A Best.

28 Controlling party

The company is ultimately controlled by Mr A Best.

The group is ultimately controlled by Mr A Best.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

29 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	1,794,339	439,161
Adjustments for:		
Taxation charged	583,657	277,028
Finance costs	984,249	958,389
Investment income	(17,251)	(5,848)
Gain on disposal of tangible fixed assets	(6,160)	-
Fair value gains on investment properties	(1,543,305)	-
Amortisation and impairment of intangible assets	1,021,475	1,070,024
Depreciation and impairment of tangible fixed assets	112,199	95,422
Reduction in share capital	105,499	-
Increase in provisions	4,803,147	3,344,420
Movements in working capital:		
Decrease in stocks	1,295,403	351,855
Decrease/(increase) in debtors	1,959,202	(1,300,459)
Increase in creditors	21,713,379	1,425,601
Cash generated from operations	32,805,833	6,655,593

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

30 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	Notes	1 December 2014 £	30 November 2015 £
Equity as reported under previous UK GAAP		48,639,905	49,022,066
Adjustments arising from transition to FRS 102:			
Redeemable Preference shares	1	(1,984,000)	(1,984,000)
Other interest	2	-	-
Deferred tax	3	(7,482,711)	(7,482,711)
Equity reported under FRS 102		<u>39,173,194</u>	<u>39,555,355</u>

Reconciliation of group profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		518,521
Adjustments arising from transition to FRS 102:		
Redeemable Preference shares	1	-
Other interest	2	(79,360)
Deferred tax	3	-
Profit reported under FRS 102		<u>439,161</u>

Notes to reconciliations on adoption of FRS 102 - group

Redeemable Preference shares

The 4% Redeemable Preference shares were previously classified as equity under old UK GAAP. On transition to FRS 102, the Redeemable Preference shares are now classified as a liability in accordance with Section 22 (liabilities and equity) as they are redeemable at the holder's option and carry a right to return which is non-discretionary.

Other interest

The dividend on the Redeemable Preference shares was set off against profit and loss reserves under old UK GAAP. On transition to FRS 102, the dividend on the Redeemable Preference shares is treated as finance costs (interest) in the profit and loss account.

Deferred tax

Under old UK GAAP the group had a policy of revaluing freehold land and buildings and investment properties. On transition to FRS 102 the group recognised a deferred tax liability of £7,482,711 based on the revaluation reserve and profit and loss reserves balance totalling £37,502,846. There is no effect on the balance sheet on transition other than deferred tax.

BEST HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

30 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity - company

	Notes	1 December 2014 £	30 November 2015 £
Equity as reported under previous UK GAAP		4,135,655	37,098,457
Adjustments arising from transition to FRS 102:			
Redeemable Preference shares classified as non-equity	1	(1,984,000)	(1,984,000)
Other interest	2	-	-
Deferred tax	3	(6,594,767)	(6,594,767)
Equity reported under FRS 102		<u>(4,443,112)</u>	<u>28,519,690</u>

Reconciliation of company profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		33,099,162
Adjustments arising from transition to FRS 102:		
Redeemable Preference shares	1	-
Other interest	2	(79,360)
Deferred tax	3	-
Profit reported under FRS 102		<u>33,019,802</u>

Notes to reconciliations on adoption of FRS 102 - company

1. Redeemable Preference shares

The 4% Redeemable Preference shares were previously classified as equity under old UK GAAP. On transition to FRS 102, the Redeemable Preference shares are now classified as a liability in accordance with Section 22 (liabilities and equity) as they are redeemable at the holder's option and carry a right to return which is non-discretionary.

2. Other interest

The dividend on the Redeemable Preference shares was set off against profit and loss reserves under old UK GAAP. On transition to FRS 102, the dividend on the Redeemable Preference shares is treated as finance costs (interest) in the profit and loss account.

3. Deferred tax

Under old UK GAAP the company had a policy of revaluing freehold land and buildings and investment properties. On transition to FRS 102 the company recognised a deferred tax liability of £6,594,767 based on the revaluation reserve and profit and loss reserves balance totalling £32,973,835. There is no effect on the balance sheet on transition other than deferred tax.