

First Sight Estates Limited

Annual report and financial statements

Registered number 07065391

31 December 2015

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2015.

The directors have taken advantage of the small companies exemption in preparing the directors' report and in not preparing a strategic report.

Principal activities

The principal activity of the company is property development and the operation of historic country house hotels.

Business review

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

RJG Davies
JDR Fothergill
JP Pickering

Political contributions

The company made no political donations or incurred any political expenditure during the year.

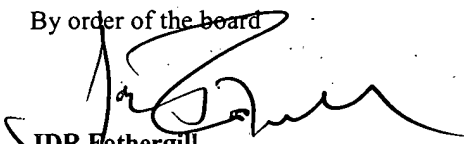
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


JDR Fothergill
Director

Cleveland House
Norton Road
Stockton-on-Tees
Cleveland
TS20 2AQ

13 September 2016

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of First Sight Estates Limited

We have audited the financial statements of First Sight Estates Limited for the year ended 31 December 2015 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 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the 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 31 December 2015 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.

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.

Independent auditor's report to the members of First Sight Estates Limited *(continued)*

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 in preparing the directors' report and in not preparing a strategic report.



Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

13 September 2016

Profit and loss account
for year ended 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Turnover	<i>1</i>	446	375
Cost of sales		(215)	(137)
Gross profit		231	238
Administrative expenses		(1,044)	(886)
Loss on ordinary activities before taxation	<i>2-4</i>	(813)	(648)
Tax on loss on ordinary activities	<i>5</i>	298	164
Loss for the financial year		(515)	(484)

The company had no other comprehensive income during the current or preceding financial year.

Balance sheet
at 31 December 2015

	<i>Note</i>	2015 £000	2014 £000	£000
Fixed assets				
Tangible assets	6	5,723	5,726	
Current assets				
Stocks	7	14	10	
Debtors	8	4,116	3,339	
Cash at bank and in hand		7	13	
		<u>4,137</u>	<u>3,362</u>	
Creditors: amounts falling due within one year	9	(9,856)	(9,166)	
Net current liabilities		(5,719)	(5,804)	
Total assets less current liabilities		4	(78)	
Provisions for liabilities				
Deferred tax liability	10	(54)	(19)	
Net liabilities		(50)	(97)	
Capital and reserves				
Called up share capital	11	-	-	
Capital contribution reserve	11	2,548	1,986	
Profit and loss account	11	(2,598)	(2,083)	
Shareholders' deficit		(50)	(97)	

These financial statements were approved by the board of directors on 13 September 2016 and were signed on its behalf by:


JDR Fothergill
Director

Company registered number: 07065391

Statement of changes in equity

	Called up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	-	1,676	(1,599)	77
Total comprehensive income for the period				
Profit or loss	-	-	(484)	(484)
Transactions with owners, recorded directly in equity				
Capital contribution	-	310	-	310
Balance at 31 December 2014	-	1,986	(2,083)	(97)
Balance at 1 January 2015	-	1,986	(2,083)	(97)
Total comprehensive income for the period				
Profit or loss	-	-	(515)	(515)
Transactions with owners, recorded directly in equity				
Capital contributions	-	562	-	562
Balance at 31 December 2015	-	2,548	(2,598)	(50)

Notes

(forming part of the financial statements)

1 Accounting policies

First Sight Estates Limited (the “company”) is a company limited by shares and incorporated and domiciled in the UK.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP the company has made no measurement and recognition adjustments.

The company’s ultimate parent undertaking, Kiplun Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Kiplun Limited are available to the public and may be obtained from Cleveland House, Norton Road, Stockton-on-Tees, Cleveland, TS20 2AD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Kiplun Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition or accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The company is subject to cross guaranteed banking arrangements with other Group undertakings. Detailed information regarding the financial position of the Group headed by Kiplun Limited, its cash flows, liquidity position and borrowing facilities are included in the Group financial statements of Kiplun Limited, which can be obtained from Companies House. The following analysis considers the position of the Group as a whole.

The Group meets its day-to-day working capital requirements through operating cash flows, overdraft and bank loan facilities. The Group’s forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group is expected to have a sufficient level of financial resources available through facilities agreed and expected to be agreed when these fall due for renewal.

Notes (continued)

1 Accounting policies (continued)

Going concern (continued)

The Group's bank overdraft is a rolling facility which is due for review in early 2017 when the directors anticipate that this will continue under the same terms. At the year end the Group's overdraft was £6.1m and the Group also had cash at bank of £3.6m and bank term loans of £1.7m. Only £0.4m of the bank term loans are due within one year, the balance is due between two and five years.

After considering the above issues in detail, the directors consider and have concluded that the company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt a going concern basis in the preparation of the financial statements.

Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- freehold buildings 10 years
- plant and machinery 10 years
- fixtures and fittings 10 years
- motor vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment excluding stocks and deferred tax assets

Financial assets (including other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Turnover

Turnover represents the amounts receivable in the ordinary course of business from the provision of goods and services to customers. Turnover is measured at the fair value of the right to consideration net of sales related rebates, discounts and value added tax.

The company recognises revenue at the point of despatch of goods and for services when they have been provided. Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Turnover is derived from the principal activity, wholly undertaken in the UK.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Expenses and auditor's remuneration

Auditor's remuneration:

	2015 £000	2014 £000
Audit of these financial statements	8	7

Amounts receivable by the company's auditor and its associates in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Kiplun Limited.

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Directors	3	3
Administration	10	11
	<u>13</u>	<u>14</u>

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	226	212
Social security costs	16	16
	<u>242</u>	<u>228</u>

Notes (continued)

4 Directors' remuneration

No remuneration was paid to the directors by the company during the current or preceding year.

5 Taxation

Total tax expense recognised in the profit and loss account

	2015 £000	£000	2014 £000	£000
<i>Current tax – group relief</i>				
Group relief receivable in current year	(144)		(83)	
Adjustments in respect of prior periods	(189)		(2)	
	<hr/>		<hr/>	
Total current tax		(333)		(85)
<i>Deferred tax (see note 10)</i>				
Origination and reversal of timing differences	(10)		(58)	
Change in tax rate	(6)		-	
Adjustments in respect of prior periods	51		(21)	
	<hr/>		<hr/>	
Total deferred tax		35		(79)
		<hr/>		<hr/>
Total tax credit		(298)		(164)
		<hr/>		<hr/>

Reconciliation of effective tax rate

	2015 £000	2014 £000
Loss for the year	(515)	(484)
Total tax income	(298)	(164)
	<hr/>	<hr/>
Loss excluding taxation	(813)	(648)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	(165)	(139)
Non-deductible expenses	11	2
Effect of decreased tax rate	(6)	(4)
Overprovided in prior years	(138)	(23)
	<hr/>	<hr/>
Total tax credit included in profit or loss	(298)	(164)
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

The company has trading losses of £12,000 (2014: £12,000) to carry forward against future taxable profits.

The main rate of UK corporation tax reduced from 21% to 20% on 1 April 2015. Further reductions to 19%, effective from 1 April 2017, and 18%, effective from 1 April 2020 were substantively enacted on 26 October 2015. In the Budget on 16 March 2016 the Chancellor announced a planned further reduction to 17% from 1 April 2020, however, this has not yet been substantively enacted. This will reduce the company's future current tax charge accordingly.

The deferred tax liability at 31 December 2015 has been calculated based on the rate of 18% substantively enacted at the balance sheet date.

The company has surrendered UK corporation tax losses to fellow group undertakings. The amount of tax saved for the group undertaking has been reflected in the tax credit and the remainder classed as capital contribution.

Notes (continued)

6 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost					
Balance at 1 January 2015	2,549	13	3,817	56	6,435
Additions	253	2	96	18	369
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	2,802	15	3,913	74	6,804
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
Balance at 1 January 2015	71	5	593	40	709
Depreciation charge for the year	41	3	304	24	372
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	112	8	897	64	1,081
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 1 January 2015	2,478	8	3,224	16	5,726
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	2,690	7	3,016	10	5,723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7 Stocks

	2015 £000	2014 £000
Finished goods and goods for resale	14	10
	<hr/>	<hr/>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £102,000 (2014: £73,000).

8 Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	4,095	3,202
Other debtors	11	137
Prepayments and accrued income	10	-
	<hr/>	<hr/>
Due within one year	4,116	3,339
	<hr/>	<hr/>

The company, together with its parent and fellow subsidiary undertakings has entered into a composite banking arrangement to secure group interest and banking facilities (see note 13). These facilities are secured against certain assets across various companies within the group, including a fixed charge against all the company's property, plant and equipment, stock and book debts, together with a floating charge against all other debtors of the company.

Notes (continued)

9 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	84	130
Amounts owed to group undertakings	9,726	8,949
Tax and social security	4	-
Accruals and deferred income	42	87
	<u>9,856</u>	<u>9,166</u>

10 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2015 £000	2014 £000	Liabilities 2015 £000	2014 £000	Net 2015 £000	2014 £000
Accelerated capital allowances	-	-	(56)	(27)	(56)	(27)
Losses	2	8	-	-	2	8
	<u>2</u>	<u>8</u>	<u>(56)</u>	<u>(27)</u>	<u>(54)</u>	<u>(19)</u>
Net tax assets/(liabilities)						

11 Capital and reserves

Share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
1 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</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.

Reserves	Capital contribution reserve £000	Profit and loss account £000
At beginning of year	1,986	(2,083)
Loss for the year	-	(515)
Capital contribution	562	-
	<u>2,548</u>	<u>(2,598)</u>
At end of year		

12 Financial instruments – carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2015 £000	2014 £000
Assets measured at amortised cost	4,113	3,352
Liabilities measured at amortised cost	(9,856)	(9,166)
	<u>-</u>	<u>-</u>

Notes (continued)

13 Contingencies

The company, together with its parent and fellow subsidiary undertakings has entered into a composite banking arrangement to secure group interest and banking facilities. As part of this arrangement a cross guarantee was given to the bank by the company.

At the year end aggregate group borrowings guaranteed by the company but not provided for in these financial statements amounted to £4,263,000 (2014: £6,206,000).

These facilities are secured against certain individual assets across various companies within the group.

14 Ultimate parent company and parent company of larger group

The company is a subsidiary undertaking of Kiplun Europe BV, incorporated in the Netherlands. The ultimate parent company is Kiplun Limited, incorporated in England and Wales. The ultimate controlling party is JDR Fothergill M.A., M.B.A., Chairman and Managing Director of Kiplun Limited.

The only group in which the results of the company are consolidated is that headed by Kiplun Limited, incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from Cleveland House, Norton Road, Stockton-on-Tees, Cleveland, TS20 2AD.

15 Accounting estimates and judgements

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty arise from:

Tangible fixed assets – estimated useful lives

Depreciation charges require the entity to estimate the useful economic lives of each part of tangible fixed assets. The depreciation method and useful lives are estimated based on the pattern by which the entity expects to consume an assets future economic benefits and are reviewed where there is an indication of significant change.