REGISTERED NUMBER: 07125033 (England and Wales)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

FOR

BROOKSHIRE TRADING LIMITED

BROOKSHIRE TRADING LIMITED (REGISTERED NUMBER: 07125033)

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FOR THE YEAR ENDED 31 MARCH 2018

BROOKSHIRE TRADING LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS:	T W Leader N A Taylor A J F Wildman
REGISTERED OFFICE:	Cayzer House 30 Buckingham Gate London SW1E 6NN
REGISTERED NUMBER:	07125033 (England and Wales)
AUDITOR:	KPMG LLP 15 Canada Square London E14 5GL
BANKERS:	Santander UK plc 100 Ludgate Hill London EC4M 7RE Royal Bank of Scotland London Corporate Service Centre 1/2 Devonshire Square

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report with the financial statements of the company for the year ended 31st March 2018.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of trading in commercial property. Property is bought and sold in the ordinary course of business. During the time that property is held for sale incidental rental income may be generated which is recognised as revenue.

RESULTS FOR THE PERIOD
The profit for the company before taxation was £628,567 (2017: £192,681).

No qualifying indemnity provisions arise in the year (2017: none).

DIRECTORS
The directors shown below have held office during the whole of the period from 1st April 2017 to the date of this report.
D E Johnson (resigned 10 August 2017)
T W Leader (appointed 10 August 2017)
N A Taylor
A J F Wildman

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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and.
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR
The auditor KPMG LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The Company has relied upon the small companies' exemptions under Companies Act s419(2).

ON BEHALF OF THE BOARD:

....
A J F Wildman
Director
17 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROOKSHIRE TRADING LIMITED

Opinion
We have audited financial statements of Brookshire Trading Limited ("the company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of charge in equity, statement of cash flow, and related notes, including the accounting policies in note 1

In our opinion: the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2018 and of the profit then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern
We are required to report to you if we have concluded that the use of going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report
The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:
- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that the report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required report to you if, in our opinion:

- adequate accounting records have not been kept by the LLP, 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.

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditors' report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities..

The purpose of our audit work and to whom we owe our responsibilities

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.

Thomas Brown

Thomas Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Audit
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

17 August 2018

BROOKSHIRE TRADING LIMITED (REGISTERED NUMBER: 07125033)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Year ended 2018 £	Year ended 2017 £
Revenue		1,771,629	439,384
Cost of sales		(762,760)	(9,167)
GROSS PROFIT		1,008,869	430,217
Investment income		-	164
Administrative expenses		(380,302)	(237,700)
OPERATING PROFIT		628,567	192,681
PROFIT BEFORE TAX		628,567	192,681
Income tax	4	(118,027)	(38,463)
PROFIT FOR THE YEAR		510,540	154,218
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		510,540	154,218

The notes from page 10 to 21 form part of these financial statements

BROOKSHIRE TRADING LIMITED (REGISTERED NUMBER: 07125033)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
ASSETS			
Current assets			
Inventories	5	2,987,193	3,740,652
Trade and other receivables	6	31,948	27,894
Cash and cash equivalents	7	77,787	104,914
		3,096,928	3,873,460
TOTAL ASSETS		3,096,928	3,873,460
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	1	1
Retained earnings	10	854,628	344,088
TOTAL EQUITY		854,629	344,089
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	11	-	1,400
		-	1,400
Current liabilities			
Trade and other payables	12	2,122,871	3,489,435
Tax payable		119,428	38,536
		2,242,299	3,527,971
TOTAL LIABILITIES		2,242,299	3,529,371
TOTAL EQUITY AND LIABILITIES		3,096,928	3,873,460

The financial statements were approved by the Board of Directors on 17 August 2018 and were signed on its behalf by:

....

A J F Wildman
Director

The notes from page 10 to 21 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 31st March 2016	1	189,870	189,871
Profit for the year	-	154,218	154,218
Balance at 31st March 2017	1	344,088	344,089
Profit for the year	-	510,540	510,540
Balance at 31st March 2018	1	854,628	854,629

The notes from page 10 to 21 form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Year ended 2018 £	Year ended 2017 £
Cash flows from operating activities			
Cash (outflow)/inflow from operations	8	(27,127)	33,284
Net cash from operating activities		(27,127)	33,284
Cash flows from financing activities			
Interest received		-	164
Net cash from financing activities		-	164
(Decrease)/increase in cash and cash equivalents		(27,127)	33,448
Cash and cash equivalents at beginning of year		104,914	71,466
Cash and cash equivalents at end of year		77,787	104,914

The notes from page 10 to 21 form part of these financial statements

1. ACCOUNTING POLICIES

Brookshire Trading Limited (the "company") is a company incorporated in the United Kingdom.

The company has taken advantage upon the small companies' exemption under Companies Act 414A(2) and 414B and therefore has not prepared a strategic report.

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the EU and therefore the financial statements comply with Article 4 of the EU IAS Regulations. IFRSs comprise accounting standards issued by the International Accounting Standards Board ('IASB') and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and its predecessor body.

In the current year, the company has not adopted any new standards or interpretations.

At the date of authorisation of these financial statements, the following standards, which have not been applied in these financial statements, were in issue but not yet effective.

IFRS 9 'Financial Instruments'
IFRS 9 Financial instruments revises the approach to financial instruments framework replacing IAS39 Financial Instruments: Recognition and Measurement. The classification and measurement of the company's *financial instruments are not anticipated to be impacted upon adoption of IFRS 9. The company will continue to* apply fair value to investment assets as either the cash flows are not 'solely payments of principal and interest' or the business model is to manage them on a fair value basis. The new standard will be applied in the financial statements for the year ended 31 March 2019.

IFRS 15 'Contracts with Customers'
IFRS 15 Revenue from Contracts with Customers revises the approach to revenue recognition from contracts with customers and replaces IAS 11 Accounting for construction contracts. The company's income is received from financial instruments which are excluded from the scope of IFRS 15. The new standard will be applied in the financial statements for the year ended 31 March 2019.

IFRS 16 'Leases'
IFRS 16 Leases provides a new approach to lease accounting replacing IAS 17 Leases. The LLP is required to recognise lease contracts as a lessee on the balance sheet as a right of use asset with a corresponding lease liability with the exception of short-term or low value leases. The LLP has entered into a single short-term lease which will not be impacted upon adoption of IFRS 16. The new standard is not being early adopted and will be applied in the financial statements for the year ended 31 March 2020.

Functional and presentational currency
The financial statements are presented in pounds sterling.

Going concern
The company is financed from funding provided by its parent. Additional working capital can be drawn from its parent as required to make trading acquisitions as they arise. The timing of repayments of the inter-company loan is discretionary and when cash flow permits. The directors, after making enquiries that funding from its parent will continue, have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the date that the financial statements are approved. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

The company is funded a loan with its parent. The repayments terms are discretionary and the cost of the funding is reflected in the annual management charge levied by its parent. There are no formal repayment terms applied, however, the company is relying its parent to maintain its credit worthiness for that source of funding to continue. The directors judge that the criteria covering its parent covenant stipulations attached to the group's bank borrowings are met and therefore funding from its parent will continue into the future on the current basis. A letter of support was received from Brookshire Capital LLP which confirms that the parent will not call the loan in the next 12 months.

Receivables
Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Inventories
Inventory consists of property held for the purposes of trading. Inventories are valued at the lower of cost and net realisable value. Cost is based on the latest cost principle and for each acquisition is inclusive of inventory purchase price, expenditure incurred in acquiring the inventory and bringing it to their current condition for sale.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

Cash and cash equivalents
Cash comprises cash on hand and demand deposits.

Impairment
At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Revenue
Revenue is measured at the fair value of rents receivable and other income from tenants of the company's trading properties, net of discounts, VAT and other sales-related taxes. Revenue also includes the consideration received when selling trading property. Revenue is attributed to the period in which the service is provided or contracts have been exchanged on the sale of trading property. Turnover is attributable to one geographical market, the United Kingdom.

Expenses
All expenses are accounted for on an accruals basis.

Trade payables
Trade payables are stated at their nominal value.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.
The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Profit or Loss and Other Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient profits will be available to allow all or part of the assets to be recovered.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Property held for trading purposes of the company is carried at the lower of cost or net realizable value. The selling price of a property is affected by such factors as the occupational property market trading conditions, tenant covenants if the property is not vacant, and property specific factors. To ensure the property is carried at the lower of cost or net realizable value, trading property is professionally valued by external valuers. The directors judge that the carrying cost values ascribed to the trading property reflect these factors, as at the balance sheet date and into the future, given anticipated market conditions.

2. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31st March 2018 or for the year ended 31st March 2017.

	Year ended 2018 £	Year ended 2017 £
Directors' remuneration	-	-

3. OPERATING LEASES

Leases as lessor
The company leases out commercial property under operating leases. The future minimum lease payments receivable under non-cancellable leases were as follows:

	Year ended 2018 £	Year ended 2017 £
Less than one year	259,030	296,221
Between one and five years	939,519	1,045,205
Greater than five years	919,627	1,154,357
Total lease payments	2,118,176	2,495,783

Leases as lessee
The company had not entered into any lease agreements as lessee.

4. INCOME TAX

Analysis of tax expense

	Year ended 2018 £	Year ended 2017 £
Current tax:		
Tax	119,427	38,537
Deferred tax current year: (see note 11)	(1,400)	(74)
Total tax expense in Statement of Profit or Loss and Other Comprehensive Income	118,027	38,463

Reconciliation of effective tax rate

	Year ended 2018 £	Year ended 2017 £
Profit before tax	628,567	192,681
Tax using the UK corporation tax rate of 19% (2017: 20%)	119,427	38,537
Release of deferred tax balances	(1,400)	(74)
Total tax expense	118,027	38,463

Factors that may affect future current and total tax charges

There are no factors that will affect future tax charges. The standard rate of UK corporation tax at the balance sheet date was 19% (2017: 20%) but reductions in the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 18 October 2016. This will reduce the company's future tax charge accordingly.

The tax charge on profit for the year is the same as the standard rate of corporation tax in the UK of 19%.

5. INVENTORIES

	Year ended 2018 £	Year ended 2017 £
Property at cost	2,987,193	3,740,652

6 TRADE AND OTHER RECEIVABLES

	Year ended 2018 £	Year ended 2017 £
Current:		
Trade debtors	31,324	23,999
Prepayments and accrued income	624	3,895
	31,948	27,894

7. CASH AND CASH EQUIVALENTS

	Year ended 2018 £	Year ended 2017 £
Bank accounts	77,787	104,914

8. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year ended 2018 £	Year ended 2017 £
Profit before income tax	628,567	192,681
Adjustments for:		
(Decrease) in amounts due to parent	(1,354,492)	(126,200)
Finance income	-	(164)
	(725,925)	66,317
Decrease in inventories	753,459	-
(Increase) in trade and other receivables	(4,054)	(2,849)
(Decrease) in trade and other payables	(12,072)	(12,022)
Cash generated from operations	11,408	51,446
Income taxes paid	(38,535)	(18,162)
Cash (outflow)/inflow generated by operating activities	(27,127)	33,284

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	Year ended 2018 £	Year ended 2017 £
1	Ordinary	£1	1	1

10. RESERVES

	Retained earnings £
At 1st April 2017	344,088
Profit for the year	510,540
At 31st March 2018	854,628

11. PROVISIONS FOR LIABILITIES

The movement for the year in the company's deferred tax position was as follows:

	Year ended 2018 £	Year ended 2017 £
At 1 April 2017	1,400	1,474
Charge to income for the year	(1,400)	(74)
At 31 March 2018	-	1,400

Deferred tax is provided as follows.

	Year ended 2018 £	Year ended 2017 £
Other timing differences	-	1,400

12. TRADE AND OTHER PAYABLES

	Year ended 2018 £	Year ended 2017 £
Current:		
Taxation	18,398	24,793
Other creditors	9,999	9,288
Brookshire Capital LLP current account	2,069,305	3,423,797
Deferred income	25,169	31,557
	2,122,871	3,489,435

13. TRANSACTIONS WITH DIRECTORS

The directors, N A Taylor and A J F Wildman, are partners in Brookshire Capital LLP, the limited liability partnership that owns all the share capital of this company. They each have a 15% share in the partnership.

14. FINANCIAL RISK MANAGEMENT

The objective of the company is to trade in property.

The company's principal financial instruments arise directly from its operations. The company does not have any exposure to any derivative instruments.

The company has exposure to market risk, credit risk and liquidity risk arising from the use of financial instruments. This note presents information about the exposure to each of the above risks and the objectives and policies and processes for measuring and managing risk. There is no foreign currency risk as all assets and liabilities of the group are maintained in pounds sterling.

The members review and agree policies for managing its risk exposure which are summarised below.

Credit risk
Credit risk is the risk that an issuer or counterparty to an asset will be unable or unwilling to meet a commitment that it has entered into with the company.

In the event of default by an occupational tenant, the group will suffer a rental shortfall and incur additional costs including: legal expenses; and in maintaining, insuring, and re-letting the property. The directors monitor any tenant arrears in order to anticipate, and minimise the impact of, defaults by occupational tenants.

The carrying amount of financial assets, including cash balances, amounts due from tenants and other receivables recorded in the financial statements represents the company's maximum exposure to credit risk.

The carrying amount of these assets at 31 March 2018 was £109,735 (2017: £132,808).

There were no financial assets which were considered impaired as at 31 March 2018 (2017: none).

All of the company's cash is placed with financial institutions with a Standard and Poor's long-term credit rating of A-1 or better. Bankruptcy or insolvency of such financial institutions may cause the company's ability to access cash placed on deposit to be delayed or limited. Should the credit quality or the financial position of the banks currently employed significantly deteriorate cash holdings would be moved to another bank.

Liquidity risk
Liquidity risk is the risk that the company will encounter in realising assets or otherwise raising funds to meet financial commitments. The company's trading stock comprises UK commercial property. Such commercial property is not traded in an organised public market and may be illiquid. As a result the company may not be able to liquidate quickly the property that it holds at an amount close to their cost.

The company's liquidity risk is managed on an ongoing basis by the directors. In order to mitigate liquidity risk the company aims to have sufficient cash balances, or access to funds from its parent, (including the expected proceeds of any property sales) to ensure that the company is able to meet its obligations for a period of twelve months.

14. FINANCIAL RISK MANAGEMENT (continued)

At the reporting date, the maturity profile of the company's financial assets and financial liabilities were (on a contractual basis):

	Carrying amount	Contractual value				
		Within one year	1 - 2 years	2 -5 years	More than 5 years	Total
	£	£	£	£	£	£
At 31 March 2018						
Financial assets						
Trade and other receivables	31,948	31,948	-	-	-	31,948
Cash and cash equivalents	77,787	77,787	-	-	-	77,787
	109,735	109,735	-	-	-	109,735
Financial liabilities						
Trade and other payables:						
- amounts owed to group undertakings	2,069,305	2,069,305	-	-	-	2,069,305
- other financial liabilities	9,999	9,999	-	-	-	9,999
	2,079,304	2,079,304	-	-	-	2,079,304

	Carrying amount	Contractual value				
		Within one year	1 - 2 years	2 -5 years	More than 5 years	Total
	£	£	£	£	£	£
At 31 March 2017						
Financial assets						
Trade and other receivables	27,894	27,894	-	-	-	27,894
Cash and cash equivalents	104,914	104,914	-	-	-	104,914
	132,808	132,808	-	-	-	132,808
Financial liabilities						
Trade and other payables:						
- amounts owed to group undertakings	3,423,797	3,423,797	-	-	-	3,423,797
- other financial liabilities	31,557	31,557	-	-	-	31,557
	3,455,354	3,455,354	-	-	-	3,455,354

Amounts owed to group undertakings do not have specific repayment dates and are paid down periodically as trading requires.

14. FINANCIAL RISK MANAGEMENT (continued)

Credit risk
None of the company's financial instruments is directly interest bearing. The company is supported by a parent inter-company loan which has no fixed payment terms and is interest free. The cost to the parent company of the inter-company loan is incorporated into its annual management charge to the company. The financing of the loan within the parent company does, however, involve borrowings which are variable rate instruments. As a consequence the company is exposed to interest rate risk due to fluctuations in the prevailing market rate.

Having assessed the level of risk the members have concluded that it is within acceptable limits.

The interest profile of the group's financial assets and financial liabilities after the impact of the interest rate contracts at the year end are as follows:

	Floating rate	Fixed rate	Interest free	Total
As at 31 March 2018	£	£	£	£
Financial assets				
Trade and other receivables	-	-	31,948	31,948
Cash and cash equivalents	-	-	77,787	77,787
Financial liabilities				
Trade and other payables	-	-	2,079,304	2,079,304

	Floating rate	Fixed rate	Interest free	Total
As at 31 March 2017	£	£	£	£
Financial assets				
Trade and other receivables	-	-	27,894	27,894
Cash and cash equivalents	-	-	104,914	104,914
Financial liabilities				
Trade and other payables	-	-	3,455,354	3,455,354

Market price risk
The company holds trading stock comprising of UK commercial properties. The company acquires property that presents suitable trading opportunities. Purchase decisions are based on analysis of a number of factors including the prospects of a favourable sale providing capital growth, sector and geographic prospects. Factors such as tenant covenant strength, lease length and initial and equivalent yields can also affect the marketability of a property.

14. FINANCIAL RISK MANAGEMENT (continued)

Market price risk is managed as part of the acquisition process. While the objective is to maximise overall returns to the members, consideration of the effects of adverse valuation movements in the trading stock is taken into account. Property is carried at the lower of cost or net realisable value. This is monitored by way of property valuations which are managed through the appointment of an independent external valuer. This does not guarantee a certain sales price will be achieved and a degree of valuation uncertainty will always remain.

Any changes in market conditions will have a direct impact on the profit or loss reported through the Statement of Profit or Loss and Other Comprehensive Income. Cost of property held as inventory for trading purposes in disclosed in note 5.

Fair values

When measuring the fair value of an asset or a liability, the company uses market observable data as afar as possible. Fair values are categorised into different levels in a fair value hierarchy as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the company's financial instruments are not materially different from their carrying values. largely owing to their short maturity.

The company has no financial assets or liabilities classified as Level 1, Level 2 or Level 3,

All financial assets and liabilities not measured at fair value are shown on the following table.

	Note	Carrying amount				Fair value			
As at 31 March 2018		Other financial assets	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*									
Inventories	5	2,987,193	-	-	2,987,193				
Trade and other receivables	6	-	31,948	-	31,948				
Cash and cash equivalents	7	-	77,787	-	77,787				
		2,987,193	109,735	-	3,096,928				
Financial liabilities not measured at fair value*									
Trade payables	12	-	-	(9,999)	(9,999)				
Brookshire Capital LLP current account	12	-	-	(2,069,305)	(2,069,305)				
		-	-	(2,079,304)	(2,079,304)				

	Note	Carrying amount				Fair value			
As at 31 March 2017		Other financial assets	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*									
Inventories	5	3,740,652	-	-	3,740,652				
Trade and other receivables	6	-	27,894	-	27,894				
Cash and cash equivalents	7	-	104,914	-	104,914				
		3,740,652	132,808	-	3,873,460				
Financial liabilities not measured at fair value*									
Trade payables	12	-	-	(9,288)	(9,288)				
Brookshire Capital LLP current account	12	-	-	(3,423,797)	(3,423,797)				
		-	-	(3,433,085)	(3,433,085)				

*The company has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.

15. RELATED PARTY DISCLOSURES

Brookshire Trading Limited continued to receive cash funding from its parent on an interest free basis with no set repayment terms. Management fees of £338,000 (2017: £219,000) were charged by the parent in the year. At the year end Brookshire Trading Limited owed £2,069,305 (2017: £3,423,797) to its parent.

During the year the Company became party to a financing facility which has been arranged with its parent. Inventory totalling £2,806,871 held by the Company is used as security for the loan facility.

16. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is Brookshire Capital LLP and the ultimate parent company is Caledonia Investments plc. Caledonia Investments plc is the controlling party. The parent company of the smallest and largest group that includes the company and for which group accounts are prepared is Brookshire Capital LLP.

Caledonia Investments plc is an investment entity under IFRS 10 and prepares group accounts which do not consolidate investment subsidiaries, consequently these statements are not consolidated.

Group accounts for Brookshire Capital LLP and Caledonia Investments plc may be obtained from their registered office at Cayzer House, 30 Buckingham Gate, London SW1E 6NN.

17. UK MEMBERSHIP OF THE EU

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the June 2016 referendum in relation to the UK's membership of the EU on the Company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in the business strategy and it does not affect the going concern position of the Company. Over the course of the expected two year transition period following the notification to leave the EU, the Company will continue to closely monitor developments and will make appropriate changes to the business strategy once the outcome of the referendum result and its impact on the UK and European service industry is more certain.

18. POST BALANCE SHEET EVENTS

There are no reportable post balance sheet events arising at the date the financial statements were approved.