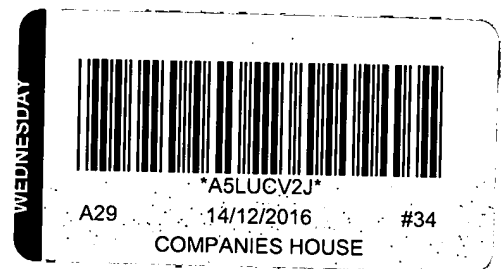


**R.E. Aucott & Sons Limited**

**Annual report and financial statements**

**Registered number 1365198**

**31 March 2016**



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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2016.

### **Principal activities and business review**

The principal activity of the company is that of property rental.

The profit for the year after taxation amounted to £664,316 (2015: profit of £28,685). The directors are satisfied with the result for the year and are optimistic about future prospects.

At the time of writing this Directors report the UK have voted to leave the EU. Whilst it is too early to fully know the implications of this on the company, the directors believe that it will not have an impact on the Company and the Company will continue to trade for the foreseeable future.

### **Dividends**

No dividends were paid in the year (2015: £Nil).

### **Directors**

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

BS Aucott  
SR Aucott

### **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 re-appointed and KPMG LLP will, therefore, continue in office.

Approved by the board of directors on 24 November 2016 and signed on its behalf by:



**BS Aucott**  
Director

Aucott House  
Etchell Court  
Bonehill Road  
Tamworth  
Staffordshire  
B78 3JA

## **Statement of directors' responsibilities in respect of the annual 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 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 judgments 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  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## **Independent auditor's report to the members of R.E. Aucott & Sons Limited**

We have audited the financial statements of R.E. Aucott & Sons Limited for the year ended 31 March 2016 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 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](http://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 March 2016 and of its profit 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 matter prescribed by the Companies Act 2006**

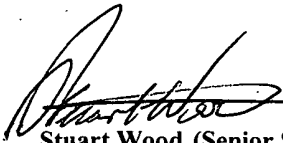
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of R.E. Aucott & Sons 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 Strategic Report.



**Stuart Wood (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

24 November 2016

**Profit and Loss Account**  
*for the year ended 31 March 2016*

	<i>Note</i>	<b>2016</b> £	<b>2015</b> £
<b>Turnover</b>	<b>2</b>	<b>136,409</b>	149,189
<b>Gross profit</b>		<b>136,409</b>	149,189
Administrative expenses		<b>(101,528)</b>	(118,250)
Other operating income	<b>3</b>	<b>697,305</b>	-
<b>Operating profit</b>		<b>732,186</b>	30,939
Other interest receivable and similar income	<b>4</b>	<b>4,568</b>	5,913
<b>Profit on ordinary activities before taxation</b>		<b>736,754</b>	36,852
Tax on profit on ordinary activities	<b>8</b>	<b>(72,438)</b>	(8,167)
<b>Profit for the financial year</b>		<b>664,316</b>	28,685

All turnover and operating profit for the current year and preceding period arose from continuing operations.

The company has no other comprehensive income in either the current year or preceding year other than those shown in the profit and loss account.

The notes on pages 8 to 16 form an integral part of these Financial Statements.

**Balance Sheet**  
*At 31 March 2016*

	<i>Note</i>	<b>2016</b> £	£	<b>2015</b> £	£
<b>Fixed assets</b>					
Investment Property	9		1,835,287		1,137,982
<b>Current assets</b>					
Debtors	10	80,291		68,705	
Cash at bank and in hand		518,619		437,935	
		<u>598,910</u>		<u>506,640</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(157,730)</u>		<u>(94,924)</u>	
<b>Net current assets</b>			<u>441,180</u>		<u>411,716</u>
<b>Total assets less current liabilities</b>			<u>2,276,467</u>		<u>1,549,698</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	12		(70,935)		(8,482)
<b>Net assets</b>			<u>2,205,532</u>		<u>1,541,216</u>
<b>Capital and reserves</b>					
Called up share capital	13		18,115		18,115
Revaluation reserve			1,614,649		917,344
Profit and loss account			572,768		605,757
<b>Shareholders' funds</b>			<u>2,205,532</u>		<u>1,541,216</u>

The notes on pages 8 to 16 form an integral part of these Financial Statements.

These financial statements were approved by the board of directors on 24 November 2016 and were signed on its behalf by:



**BS Aucott**  
Director



**SR Aucott**  
Director

Company number: 1365198



**Statement of Changes in Equity**  
*for the year ended 31 March 2016*

	<b>Called up Share capital</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 April 2014	18,115	917,344	577,072	1,512,531
<b>Total comprehensive income for the year</b>				
Profit or loss	-	-	28,685	28,685
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	28,685	28,685
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2015</b>	<b>18,115</b>	<b>917,344</b>	<b>605,757</b>	<b>1,541,216</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 April 2015	18,115	917,344	605,757	1,541,216
<b>Total comprehensive income for the year</b>				
Profit or loss	-	-	664,316	664,316
Transfer of gain on investment property to revaluation reserve	-	697,305	(697,305)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	697,305	(32,989)	664,316
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2016</b>	<b>18,115</b>	<b>1,614,649</b>	<b>572,768</b>	<b>2,205,532</b>
	<hr/>	<hr/>	<hr/>	<hr/>

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

The notes on pages 8 to 16 form an integral part of these Financial Statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

R.E. Aucott & Sons Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

Under FRS 102.1A, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

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.

In the transition to FRS102 from old UK GAAP, the company has made measurement and recognition adjustments. An explanation of how the transition to FRS102 has affected the financial position and financial performance of the company is provided in note 17.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. None of the exemptions have been taken in these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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 16.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will be able to continue to trade for the foreseeable future. The Company's forecasts and projections show that the Company should be able to operate. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

#### 1.3 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.

#### 1.5 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

##### *Subsequent to initial recognition*

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Investment property (continued)

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of tangible fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### 1.6 Impairment excluding stocks, investment properties and deferred tax assets

##### *Financial assets (including trade and 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.

#### 1.7 Turnover

Turnover represents rental income receivable, excluding value added tax, arising wholly within the United Kingdom and from the company's principal activity.

#### 1.8 Expenses

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### 1.9 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.

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.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.9 Taxation (continued)**

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. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

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 Turnover**

	2016 £	2015 £
Investment property rentals	136,409	149,189

Turnover represents rental income receivable, excluding value added tax, arising wholly within the United Kingdom and from the company's principal activity.

### **3 Other operating income**

	2016 £	2015 £
Fair value gain adjustments for investment property	697,305	-

### **4 Other interest receivable and similar income**

	2016 £	2015 £
Receivable from businesses under common control	4,568	5,913

### **5 Auditor's remuneration**

#### *Auditor's remuneration:*

	2016 £	2015 £
Audit of these financial statements	7,000	10,140
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	2,650	3,000
Other Services	500	600

## Notes (continued)

### 6 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	
	2016	2015
Office and management	2	2

The aggregate payroll costs of these persons were £Nil (year ended 31 March 2015: £Nil).

### 7 Directors' remuneration

The directors did not receive any remuneration, nor were any pension scheme contributions payable in either the current year or preceding year.

### 8 Taxation

#### Total tax expense recognised in the profit and loss account and equity

	2016		2015	
	£000	£000	£000	£000
<i>Current tax</i>				
Current tax on income for the year	9,985		9,174	
Adjustments in respect of prior year	-		(897)	
Total current tax		9,985		8,277
<i>Deferred tax (see note 12)</i>				
Origination and reversal of timing differences	63,301		-	
Change in tax rate	(848)		(110)	
Total deferred tax		62,453		(110)
Total tax		72,438		8,167

#### Reconciliation of effective tax rate

	2016	2015
	£	£
Profit for the year	664,316	28,685
Total tax expense	72,438	8,167
Profit excluding taxation	736,754	36,852
Tax using the UK corporation tax rate of 20% (2015: 20%)	147,351	7,370
Non-deductible expenses	2,095	1,707
Current year losses for which no deferred tax asset was recognised	-	97
Reduction in tax rate on deferred tax balances	(848)	(110)
Capital allowances for year less in excess of depreciation	(76,160)	-
Adjustment in respect of prior years	-	(897)
Total tax expense included in profit or loss	72,438	8,167

## Notes (continued)

### 8 Taxation (continued)

#### *Factors that may affect future current and total tax charges*

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax liability at balance sheet date has been calculated on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. These reductions will reduce the company's future current tax charge and the deferred tax liability accordingly.

### 9 Investment property

	2016 £
Balance at 1 April 2015	1,137,982
Net gain from fair value adjustments	697,305
	<hr/>
Balance at 31 March 2016	1,835,287
	<hr/>

£1,835,287 of investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

In the prior year, £1,137,982 of investment property fair value is based on a valuation by the directors, having used publicly available market evidence to assess the current market value of each asset.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

### 10 Debtors

	2016 £	2015 £
Trade debtors	40,820	53,010
Amounts owed from businesses under common control (see note 14)	9,042	-
Other debtors	18,074	-
Prepayments and accrued income	12,355	15,695
	<hr/>	<hr/>
	80,291	68,705
	<hr/>	<hr/>

### 11 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	17,455	17,080
Amounts owed to businesses under common control (see note 14)	4,274	-
Corporation tax	9,984	9,174
Accruals and deferred income	126,017	68,670
	<hr/>	<hr/>
	157,730	94,924
	<hr/>	<hr/>

## Notes (continued)

### 12 Deferred taxation

	£
Liability at beginning of year	8,482
Charge to profit and loss account during year (see note 8)	62,453
	<hr/>
<b>Liability at end of year</b>	<b>70,935</b>
	<hr/> <hr/>

The elements of deferred taxation are as follows:

	2016 £	2015 £
Capital Gains	70,935	8,482
	<hr/> <hr/>	<hr/> <hr/>

### 13 Called up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid:</i>		
18,115 ordinary shares of £1 each	18,115	18,115
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 14 Related parties

Mr BS Aucott and Miss SR Aucott are trustees and ultimate beneficiaries of the JB Aucott Will Trust.

Mr BS Aucott and Miss SR Aucott are directors of Aucott Developers Limited.

Mr BS Aucott and Miss SR Aucott are directors of Aucott Holdings Limited.

The transactions with related parties during the year ended 31 March 2016 are as follows:

Related party	Type of transaction	Value in the year		Balance at 31 March 2016	
		Sales £	Purchases £	Debtor £	Creditor £
Aucott Holdings Limited	Recharge of costs	-	14,247	-	4,274
JB Aucott Will Trust	Recharge of costs	15,157	17,138	9,042	-
		<u>15,157</u>	<u>31,385</u>	<u>9,042</u>	<u>4,274</u>

The company made purchases jointly from Mr BS Aucott and Miss SR Aucott during the year of £1,250 (2015: £173) in relation to recharge of costs. The outstanding net balance at the year end was creditor of £ (1,500) (2015: £Nil).

Mr BS and Miss SR Aucott were advanced loans of £630,000 during the year (2015: £400,000). The loans attracted interest of £4,568 during the year (2015: £3,384). The total loan balance, including interest, was £Nil at year end (2015: £Nil).

All transactions have been at arm's length including items from external parties recharged at cost.

The transactions with related parties during the year ended 31 March 2015 are as follows:

Related party	Type of transaction	Value in the year		Balance at 31 March 2015	
		Sales £	Purchases £	Debtor £	Creditor £
Aucott Holdings Limited	Recharge of costs	-	20,167	-	-
JB Aucott Will Trust	Recharge of costs	33,208	50,671	-	-
		<u>33,208</u>	<u>70,838</u>	<u>-</u>	<u>-</u>

### 15 Ultimate controlling parties

The ultimate controlling parties are BS Aucott and SR Aucott.

### 16 Accounting estimates and judgements

#### Key sources of estimation uncertainty

##### Investment property

The value of the properties is assessed by an independent property valuation specialists at each reporting date using publicly available market evidence comprising primarily of values of comparable properties in the area and national market statistics. However, it is inherently difficult to assess the true market value of the property without actively marketing the property for sale.



## Notes (continued)

### 17 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

#### Balance sheet reconciliation

		1 April 2014 Effect of transition to			31 March 2015 Effect of transition to		
	Note	UK GAAP £	FRS 102 £	FRS 102 £	UK GAAP £	FRS 102 £	FRS 102 £
<b>Fixed assets</b>							
Tangible assets		-	-	-	-	-	-
Investment Property		1,137,982	-	1,137,982	1,137,982	-	1,137,982
		<u>1,137,982</u>	<u>-</u>	<u>1,137,982</u>	<u>1,137,982</u>	<u>-</u>	<u>1,137,982</u>
<b>Current assets</b>							
Debtors		442,493	-	442,493	68,705	-	68,705
Cash at bank and in hand		23,053	-	23,053	437,935	-	437,935
		<u>465,546</u>	<u>-</u>	<u>465,546</u>	<u>506,640</u>	<u>-</u>	<u>506,640</u>
<b>Creditors: amounts falling due within one year</b>		<u>(82,405)</u>	<u>-</u>	<u>(82,405)</u>	<u>(94,924)</u>	<u>-</u>	<u>(94,924)</u>
<b>Net current assets</b>		<u>383,141</u>	<u>-</u>	<u>383,141</u>	<u>411,716</u>	<u>-</u>	<u>411,716</u>
<b>Total assets less current liabilities</b>		<u>1,521,123</u>	<u>-</u>	<u>1,521,123</u>	<u>1,549,698</u>	<u>-</u>	<u>1,549,698</u>
<b>Provisions for liabilities</b>							
Deferred tax liability	a	-	(8,592)	(8,592)	-	(8,482)	(8,482)
		<u>1,521,123</u>	<u>(8,592)</u>	<u>1,512,531</u>	<u>1,549,698</u>	<u>(8,482)</u>	<u>1,541,216</u>
<b>Capital and reserves</b>							
Called up share capital		18,115	-	18,115	18,115	-	18,115
Freehold investment property revaluation reserve		917,344	-	917,344	917,344	-	917,344
Profit and loss account	a	585,664	(8,592)	577,072	614,239	(8,482)	605,757
		<u>1,521,123</u>	<u>(8,592)</u>	<u>1,512,531</u>	<u>1,549,698</u>	<u>(8,482)</u>	<u>1,541,216</u>
<b>Shareholders' funds</b>		<u>1,521,123</u>	<u>(8,592)</u>	<u>1,512,531</u>	<u>1,549,698</u>	<u>(8,482)</u>	<u>1,541,216</u>

a) A deferred tax liability has been recognised on the potential future chargeable gain on the disposal of the investment property, in line with FRS 102.

**Notes (continued)**

**17 Explanation of transition to FRS 102 from old UK GAAP (continued)**

**Reconciliation of profit for the year ended 31 March 2015**

	<i>Note</i>	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>Turnover</b>		149,189	-	149,189
<b>Gross Profit</b>		149,189	-	149,189
Administrative expenses		(118,250)	-	(118,250)
<b>Operating profit</b>		30,939	-	30,939
Other interest receivable and similar income		5,913	-	5,913
<b>Profit on ordinary activities before taxation</b>		36,852	-	36,852
Tax on profit on ordinary activities	<i>a</i>	(8,277)	110	(8,167)
<b>Profit for the financial year</b>		28,575	110	28,685

a) A deferred tax liability has been recognised on the potential future chargeable gain on the disposal of the investment property, and this represents the movement in the provision due to the rate change.