COMPANY REGISTRATION NUMBER: 00300930

COLEBREAM ESTATES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

25 MARCH 2016

COLEBREAM ESTATES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 25 MARCH 2016

Contents

COLEBREAM ESTATES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A G Phillips M J Pendower A Stranack A Nairn
Company secretary	A Stranack
Registered office	95 Jermyn Street London SW1Y 6JE
Auditor	BSG Valentine Chartered accountant & statutory auditor Lynton House 7 - 12 Tavistock Square London WC1H 9BQ
Bankers	Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Coole Bevis LLP Lanes End House 15 Prince Albert Street Brighton BN1 1HY
Surveyors	GBR Phoenix Beard 7-10 Chandos Street Cavendish Square London W1G 9EH

COLEBREAM ESTATES LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the company will be held at 12 noon on 21 September 2016 at the Royal Theatrical Fund, 2nd Floor, 11 Garrick Street, London WC2 9AR.

1. To receive and adopt the director's report and financial statements for the year ended 25 March 2016.

2. To re-appoint BSG Valentine as auditor and to authorise the directors to fix their remuneration.

3. (a) To declare a dividend.
   (b) To re-elect a director.

4. To transact any other business of an Annual General Meeting.

Registered office:

95 Jermyn Street
London
SW1Y 6JE

By order of the board

A Stranack
Company secretary

6 July 2016

Notes:

a. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the company.

b. A form of proxy is enclosed with this notice for your use in respect of the business set out above. To be effective, the form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified or an office copy of such power of authority) must be lodged at the company's registered office at least forty-eight hours before the time appointed for the meeting.

COLEBREAM ESTATES LIMITED

5 YEAR SUMMARY

	2012	**2013**	**2014**	**2015**	**2016**
Rental income (£'000)	777	1,008	1,041	1,047	1,049
Net interest receivable/(payable) (£'000)	(34)	(72)	(89)	(55)	(82)
Profit after tax (as per pre 2016 accounting standard) (£'000)	318	430	588	891	533
Profit after tax (as per FRS 102) (£'000)				1,248	1,597
Earnings per share (as per pre 2016 accounting standard)	12.82p	17.31p	23.64p	35.78p	21.35p
Earnings per share (as per FRS 102)				50.10p	63.98p
Dividends per share	11.25p	12.00p	13.00p	14.75p	15.00p
Net assets (£'000)	8,238	8,040	8,884	9,823	11,148
Net assets per share	£3.32	£3.24	£3.57	£3.94	£4.47

Notes

a. Profits after taxation and earnings per share exclude surpluses on sales of properties and revaluations.

b. Earnings per share and net assets per share are calculated using a weighted average number of shares. The weighted average number of shares in the year to 25 March 2016 is 2,495,621.

c. Dividends per share are calculated using the number of shares in issue on the dividend payment date.

d. Net assets reflect the result of a directors' valuation.

e. 2015 and 2016 net assets are calculated under FRS 102.

COLEBREAM ESTATES LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 25 MARCH 2016

The financial statements for the company have been prepared in compliance with the applicable Financial Reporting Standard FRS 102, which makes comparison with previous years rather harder than normal. We transitioned as at 26th March 2014. The details of how this transition from the previous standard UK GAAP has affected the reported financial position and performance is explained in note 22 below. These are the first financial statements that comply with FRS 102 and I will explain some of the differences in the figures that I normally report in these statements.

The rental income was £1,049,000 compared with £1,047,000 last year.

Direct property management expenses were £37,000 compared to last year's figure of -£62,000. The figure last year was a negative expense because we wrote back £100,000 on the value of our stock in hand. This means that last year's true management expenses were £38,000.

Administrative expenses were £267,000 compared to £248,000 last year.

There was no income from our joint investments this year as the income on the remaining property was reinvested. Last year the income was £319,000.

Profit on the sale of assets this year was £82,000 compared with £155,000 last year. This is difficult to see with FRS 102 because any changes in the value of equity now have to pass through the profit and loss account unlike UK GAAP where it appeared only in the balance sheet. The changes in equity are £1,284,000 as shown on pages 11 and 12, so together with the profit on the sale of property the other operating income apart from rental income is £1,366,000 compared with an equivalent figure for last year of £970,000.

The operating profit reported for the period was £2,112,000 compared with £1,831,000 last year calculated the same way.

Taking net bank interest for the year this produces a profit before taxation of £2,030,000 compared with last year's profit of £1,776,000.

This is once again a good performance and the board's strategy of maintaining income whilst it is practical and allowing property value to increase with the market has proved beneficial. The market flattened out at the beginning of the calendar year and it was expected to cool and the board has changed strategy to take some profits whilst the values remain high but these will only show in next year's financial statements. The right balance of maintaining income whilst selling assets is hard to judge but the board is keen to spread income more widely and to make more gains from property value increases. The portfolio was too heavily dependent upon one major property and this was felt dangerous if the political and economic outlooks were to change. As I write this statement the referendum result has created this foreseen situation and so the strategy would seem to have been well judged.

The board has recommended a final dividend of 8.00 pence per share. Taken with the interim dividend this will total 15.00 pence per share compared with 14.75p last year.

The portfolio valuation at 25th March 2015 has been carried out by the directors and stands at £10,613,000 compared with £9,527,000 last year. The bank long term debt totals £2,000,000.

I would once again like to express my sincere thanks to my fellow directors, our managing agents who have done an excellent job and our auditors, who have wrestled with the new accounting format for all the work during the year. In particular I would also thank Mark Pendower and our London office team for their hard work in assisting us to achieve these results by gathering essential information and carrying out the day to day operations. The workload and decision making processes have yet again increased for the board as our job becomes by design more complex but the results demonstrate the value of it all. Next year our normal portfolio income will reduce because of our strategy of property profit taking by disposals but new investments will come on stream to rebuild rental income gradually. Bank facilities are in place to be called upon to allow us to move quickly when needed. I refer shareholders to note 21 below where you will see this new strategy is in progress.

Shareholders should remember the company web site where information about company activities can be seen. I also remind shareholders about their portal where secure share information can be viewed. Shareholders who have not done so can set up their personal shareholder account at www.capitashareportal.com by entering Colebream Estates Limited in the company search field and then their 11 digit investment code shown on their dividend vouchers. We want to issue all share vouchers electronically in line with government policy and this can be set up on the portal, together with electronic dividend payment to shareholders bank accounts to eliminate cheques and postage. This is also a very secure way of ensuring the dividend money and the associated tax vouchers are where they need to be

The Annual General Meeting this year will be at The Royal Theatrical Fund, 2nd Floor, 11 Garrick Street, London WC2E 9AR and all shareholders are invited for drinks after the meeting as usual. The directors are always pleased to see shareholders and this is an ideal occasion to meet and discuss matters of interest.

A.H. Godfrey Phillips.
Chairman.

6th July, 2016

COLEBREAM ESTATES LIMITED

DIRECTORS' REPORT

YEAR ENDED 25 MARCH 2016

The directors present their report and the financial statements of the company for the year ended 25 March 2016.

Incorporation
The company was incorporated on 20 May 1935 in the United Kingdom.

Directors
The directors who served the company during the year were as follows:

A G Phillips
M J Pendower
A Stranack
A Nairn

Directors' responsibilities statement
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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 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 accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and

- they have taken all 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.

Small company provisions
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 6 July 2016 and signed on behalf of the board by:

A Stranack
Company Secretary

Registered office:
95 Jermyn Street
London
SW1Y 6JE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COLEBREAM ESTATES LIMITED

YEAR ENDED 25 MARCH 2016

We have audited the financial statements of Colebream Estates Limited for the year ended 25 March 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

DANIEL BURKE (Senior Statutory Auditor)
For and on behalf of
BSG Valentine
Chartered Accounts
& Statutory Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9BQ

6 July 2016

COLEBREAM ESTATES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 25 MARCH 2016

	Note	2016 £	2015 £
Turnover	**3**	1,049,391	1,046,627
Cost of sales		(37,298)	62,080
Gross profit		1,012,093	1,108,707
Administrative expenses		(266,865)	(248,309)
Other operating income	**4**	1,366,360	970,126
Operating profit		2,111,588	1,830,524
Other interest receivable and similar income		533	245
Interest payable and similar charges	**7**	(82,293)	(54,636)
Profit on ordinary activities before taxation		2,029,828	1,776,133
Tax on profit on ordinary activities	**8**	(351,253)	(372,836)
Profit for the financial year		1,678,575	1,403,297
Transfer between reserves		(185,400)	339,810
Transfer between reserves		185,400	(339,810)
Other comprehensive income for the year		–	–
Total comprehensive income for the year		1,678,575	1,403,296

All the activities of the company are from continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

COLEBREAM ESTATES LIMITED

STATEMENT OF FINANCIAL POSITION

25 MARCH 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	**10**		10,113,000		9,027,000
Investments	**11**		500,000		500,000
			10,613,000		9,527,000
Current assets					
Stocks		1,950,000		1,950,000	
Debtors	**12**	222,187		86,008	
Cash at bank and in hand		1,461,312		885,724	
		3,633,499		2,921,732	
Creditors: amounts falling due within one year	**13**	(644,762)		(1,032,685)	
Net current assets			2,988,737		1,889,047
Total assets less current liabilities			13,601,737		11,416,047
Creditors: amounts falling due after more than one year	**14**		(2,000,000)		(1,359,461)
Provisions					
Deferred tax	**16**		(454,090)		(233,565)
Net assets			11,147,647		9,823,021
Capital and reserves					
Called up share capital	**18**		624,423		623,388
Share premium account	**19**		48,679		44,541
Other reserve	**19**		2,446,071		2,178,761
Fair value reserve	**19**		4,206,508		3,107,458
Share incentive reserve	**19**		195,320		162,819
Profit and loss account	**19**		3,626,646		3,706,054
Shareholders funds			11,147,647		9,823,021

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 6 July 2016 and are signed on behalf of the board by:

A G Phillips
Director

A Nairn
Director

Company registration number: 00300930

The notes on pages 13 to 23 form part of these financial statements.

COLEBREAM ESTATES LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 25 MARCH 2016

	Note	Called up share capital £	Share premium account £	Other reserve £	Fair value reserve £	Share incentive reserve £	Profit and loss account £	**Total** £
At 26 March 2014		622,339	40,344	2,363,394	2,271,648	140,018	3,352,282	8,790,025
Profit for the year							1,403,297	1,403,297
Other comprehensive income for the year:								
Transfer between reserves		–	–	155,178	339,810	–	(155,178)	339,810
Transfer between reserves		–	–	(339,811)	496,000	–	(496,000)	(339,811)
Total comprehensive income for the year		–	–	(184,633)	835,810	–	752,119	1,403,296
Issue of shares		1,049	4,197	–	–	–	–	5,246
Dividends paid and payable	**9**	–	–	–	–	–	(398,347)	(398,347)
Equity-settled share-based payments		–	–	–	–	22,801	–	22,801
Total investments by and distributions to owners		1,049	4,197	–	–	22,801	(398,347)	(370,300)
At 25 March 2015		623,388	44,541	2,178,761	3,107,458	162,819	3,706,054	9,823,021
Profit for the year							1,678,575	1,678,575
Other comprehensive income for the year:								
Transfer between reserves		–	–	81,910	(185,400)	–	(81,910)	(185,400)
Transfer between reserves		–	–	185,400	1,284,450	–	(1,284,450)	185,400
Total comprehensive income for the year		–	–	267,310	1,099,050	–	312,215	1,678,575

The statement of changes in equity
continues on the following page.

The notes on pages 13 to 23 form part of these financial statements.

YEAR ENDED 25 MARCH 2016

		Called up share capital	Share premium account	Other reserve	Fair value reserve	Share option reserve	Profit and loss account	**Total**
		£	£	£	£	£	£	£
Issue of shares		1,035	4,138	–	–	–	–	5,173
Dividends paid and payable	**9**	–	–	–	–	–	(391,623)	(391,623)
Equity-settled share-based payments		–	–	–	–	32,501	–	32,501
Total investments by and distributions to owners		1,035	4,138	–	–	32,501	(391,623)	(353,949)
At 25 March 2016		624,423	48,679	2,446,071	4,206,508	195,320	3,626,646	11,147,647

The notes on pages 13 to 23 form part of these financial statements.

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

In accordance with the company's Articles of Association surpluses and deficits on property sales are transferred to separate reserve (see note 19).

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 26 March 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 22.

Disclosure exemptions

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Revenue recognition

Turnover relates to rents receivable and is stated exclusive of VAT.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks represent properties acquired for re-sale.

Stocks are valued at the lower of cost and net-realisable value.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

2. Accounting policies ***(continued)***

Provisions ***(continued)***

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-redeemable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financial transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies *(continued)*

Share based payments

The company issues equity-settled share-based payments to all employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured by an external valuer.

Where the terms of equity settled transactions are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately.

3. Turnover

Turnover arises from:

	2016	2015
	£	£
Rent receivable	1,049,391	1,046,627

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Other operating income

	2016	2015
	£	£
Profit on disposal of fixed assets	81,910	155,178
Fair value adjustment	1,284,450	814,948
	1,366,360	970,126

5. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	12,000	12,000

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	129,635	110,936

The average number of staff during the year was four (2015 - four).

7. Interest payable and similar charges

	2016	2015
	£	£
Interest on banks loans and overdrafts	82,293	54,636

8. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	130,728	233,603
Deferred tax:		
Origination and reversal of timing differences	220,525	139,233
Tax on profit on ordinary activities	351,253	372,836

Reconciliation of tax expense as applied to the accounting profit

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	2,029,828	1,776,133
Profit on ordinary activities multiplied by rate of tax	405,966	373,134
Effect of expenses not deductible for tax purposes	333	971
Effect of capital allowances and depreciation	(1,520)	(1,947)
Share based payment	(520)	(2,587)
Marginal relief	(35)	993
Adjustment re tax effect of property disposal	(16,395)	(32,638)
Fair value adjustment	(257,101	(104,323)
Tax on profit on ordinary activities	130,728	233,603

9. Dividends

Dividends paid during the year

	2016	2015
	£	£
Dividends on equity shares	391,623	398,347

10. Tangible assets

	Freehold property £	Long leasehold property £	Total £
Cost			
At 26 March 2015	7,511,000	1,516,000	9,027,000
Disposals	(198,450)	–	(198,450)
Revaluations	802,450	482,000	1,284,450
At 25 March 2016	8,115,000	1,998,000	10,113,000
Depreciation			
At 26 Mar 2015 and 25 Mar 2016	–	–	–
Carrying amount			
At 25 March 2016	8,115,000	1,998,000	10,113,000
At 25 March 2015	7,511,000	1,516,000	9,027,000

Tangible assets held at valuation

The company's freehold and long leasehold properties were valued by the directors at £10,113,000 on 25 March 2016.

In respect of tangible assets held at valuation, the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 25 March 2016	5,906,492
At 25 March 2015	5,861,238

11. Investments

	Other investments other than loans £
Cost	
At 26 Mar 2015 and 25 Mar 2016	500,000
Impairment	
At 26 Mar 2015 and 25 Mar 2016	–
Carrying amount	
At 25 March 2016	500,000

12. Debtors

	2016	2015
	£	£
Trade debtors	149,803	51,682
Prepayments and accrued income	13,249	20,117
Other debtors	59,135	14,209
	222,187	86,008

13. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	–	107,970
Trade creditors	37,822	–
Accruals and deferred income	366,039	523,277
Corporation tax	130,728	233,603
Social security and other taxes	44,323	113,385
Other creditors	15,000	–
Other creditors	50,850	54,450
	644,762	1,032,685

14. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	2,000,000	1,359,461

The bank loans are secured by first Legal Charges over ten properties by Lloyds TSB Bank Plc, including 61-63 Fore Street Exeter, ITT Unit Bingley Road Hoddesdon, 19 Wincheap Canterbury, 36 Clipstone Road Mansfield, 175 Clapham Park Road London, Units 1 and 2 Gemini Cody Road, 8 Cordwallis Street Maidenhead, 44 Monson Road Tunbridge Wells, 8&9 Union Street Dorking 250/256 High Street, Dorking.

At the balance sheet date, the company has one bank loan with repayments terms as follows:

The loan of £2,000,000 is interest only until July 2018, and is due to be repaid in full by July 2033. Interest is payable at 3.75% p.a. over the bank's base rate.

15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 16)	454,090	233,565

16. Provisions

	Deferred tax (note 15) £
At 26 March 2015	233,565
Charge against provision	220,525
At 25 March 2016	454,090

17. Share-based payments

The company has a share incentive scheme for all employees (including directors). During the year 29,209 (2015 - 32,278) ordinary shares were issued by the company to a Share Incentive Plan Trust. Of these 4,138 (2015 - 4,198) vest unconditionally in the employees at £1.40 (2015 - £1.25) per share. The remaining 25,071 (2015 - 28,080) shares vest in the employees in three years. These shares have been valued at £1.40 (2015 - £1.25) by an external valuer and agreed by HM Revenue and Customs. The expense to the company of providing these shares to the employees is taken to the profit and loss account over three years and credited to a share based payment reserve.

The total expense recognised in profit or loss for the year is £32,501 (2015 - £22,801).

18. Called up share capital

Authorised share capital

	2016		2015	
	No	£	No	£
Ordinary shares of £0.25 each	4,000,000	1,000,000	4,000,000	1,000,000

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £0.25 each	2,497,690	624,423	2,493,552	623,388

Share movements

	No	£
Ordinary		
At 26 March 2015	2,493,552	623,388
Issue of shares	4,138	1,035
At 25 March 2016	2,497,690	624,423

During the year the company issued 4,138 (2015 - 4,198) ordinary shares of £0.25 each for £1.40 (2015 - £1.25) per share through a Share Incentive Plan for the directors. A further 25,071 (2015 - 28,080) shares were issued to the Share Incentive Plan Trust which is controlled by the company. The details are set out in note 17.

19. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Share incentive reserve - This reserve records the value received in relation to the share incentive plan.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Other reserve - This reserve records retained earnings and accumulated losses in relation to the sale of properties.

Fair value reserve - This reserve records fair value adjustments, to the carrying value of properties.

20. Related party transactions

During the year the company entered into the following related party transactions in addition to fees paid to directors.

1. Office expenses of £24,000 (2015: £20,000) were paid to Spreadsheet Solutions Limited, of which M Pendower is a director and shareholder.

2. On 3 March 2015 the company became a partner in a Limited Partnership, Astranta Rufus LP. The company has invested £500,000 in this partnership representing 15.63% of the total members' capital introduced. Some of the company's directors are also partners in Astranta Rufus LP. A profit share of £Nil (2015: £Nil) was credited with respect to this investment.

3. In the partnerships above the properties are managed by Astranta Asset Management Limited, a company in which M Pendower is a director and shareholder. A fee is charged for this service.

21. Events after the reporting period

Shortly after the year end the company sold the property held in stock for £3,540,000.

The company also purchased two properties for £3,040,000 and £2,487,900.

22. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 26 March 2014.

22. Transition to FRS 102 *(continued)*

Reconciliation of equity

	26 March 2014			25 March 2015		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	9,883,000	–	9,883,000	9,527,000	–	9,527,000
Current assets	2,276,465	–	2,276,465	2,921,732	–	2,921,732
Creditors: amounts falling due within one year	(1,610,563)	–	(1,610,563)	(1,032,685)	–	(1,032,685)
Net current assets	665,902	–	665,902	1,889,047	–	1,889,047
Total assets less current liabilities	10,548,902	–	10,548,902	11,416,047	–	11,416,047
Creditors: amounts falling due after more than one year	(1,664,545)	–	(1,664,545)	(1,359,461)	–	(1,359,461)
Provisions	–	(94,332)	(94,332)	–	(233,565)	(233,565)
Net assets	8,884,357	(94,332)	8,790,025	10,056,586	(233,565)	9,823,021
Capital and reserves	8,884,357	(94,332)	8,790,025	10,056,586	(233,565)	9,823,021

Reconciliation of profit or loss for the year

	Year ended 25 March 2015		
	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£
Turnover	1,046,627	–	1,046,627
Cost of sales	62,080	–	62,080
Gross profit	1,108,707	–	1,108,707
Administrative expenses	(248,309)	–	(248,309)
Other operating income	474,126	496,000	970,126
Operating profit	1,334,524	496,000	1,830,524
Other interest receivable and similar income	245	–	245
Interest payable and similar charges	(54,636)	–	(54,636)
Tax on profit on ordinary activities	(233,603)	(139,233)	(372,836)
Profit for the financial year	1,046,530	356,767	1,403,297

22. Transition to FRS 102 *(continued)*

Deferred tax:

Deferred tax has been recognised on all fair value measurements relating to investment properties. Previously deferred tax was disclosed as a note only and not provided for. Under FRS 102 the provision is mandatory and so is the main difference between the old and new accounting rules.

Investment properties:

Under FRS 102, changes in the fair value of investment properties are recorded in the profit and loss account. Under previous UK GAAP these changes were recorded in the Statement of Total Recognised Gains and Losses.

23. Schedule of properties

FREEHOLD

Wincheap, Canterbury
61/63 Fore Street, Heavitree, Exeter
8 Cordwallis Street, Maidenhead
36 Clipstone Road West, Forest Town, Mansfield
123 High Street, Sevenoaks
44 Monson Road, Tunbridge Wells
66 Grove Street, Wilmslow
173-175 Clapham Park Road, London
33/35 High Street, Leatherhead
Oak Green House, High Street, Dorking
ITT Unit, Bingley Road, Hoddesdon
15 Tudor Road, Canterbury

LONG LEASEHOLD

Units 1&2, Gemini Business Centre, Cody Road, London

With the exception of Maidenhead, Wincheap, Hoddesdon and Gemini (which are light industrial) and Mansfield (which is occupied by a veterinary practice) the use of the properties is primarily retail.

ACTIVITY OF TENANT

PROPORTION OF	RENTAL INCOME		CAPITAL VALUE	
	% 2016	% 2015	% 2016	% 2015
Light Industrial	54	56	52	50
Retail	31	30	34	36
Office	11	10	10	10
Other	4	4	4	4