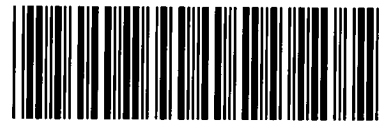


COMPANY REGISTRATION NUMBER: 470283

BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2017

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COMPANIES HOUSE

COHEN ARNOLD
Chartered Accountants & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

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BASTION PRODUCTS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is property investment in commercial and residential properties in the UK. From time to time the Company undertakes the redevelopment of its existing properties. The Company's business model is generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the Company's investment properties is considered to be potentially for sale in the right circumstances. There has been no significant change in the nature of the company's business activities during the year under review, nor is any envisaged in the immediate future.

DIRECTORS

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

Mr B S E Freshwater
Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract with the company.

The majority of the day-to-day management of the company's properties and its operations is carried out by Freshwater Property Management Limited and Highdorn Co. Limited. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, either of these companies.

Mr BSE Freshwater and Mr D Davis are also Governors of the parent undertaking of Freshwater Property Management Limited, but have no beneficial interest in that company.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2016: £nil). The directors do not propose a final dividend for the year (2016: £nil).

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.

BASTION PRODUCTS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

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.

DONATIONS

During the year the company made no charitable donation nor political contribution.

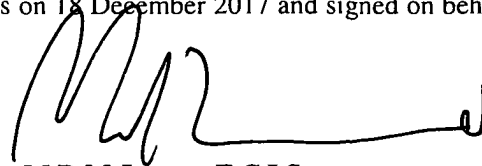
AUDITOR

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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 18 December 2017 and signed on behalf of the board by:



M R M Jenner, F.C.I.S.
Company Secretary

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASTION
PRODUCTS LIMITED
YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Bastion Products Limited for the year ended 31 March 2017 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

RESPECTIVE RESPONSIBILITIES OF 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 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASTION
PRODUCTS LIMITED *(continued)*
YEAR ENDED 31 MARCH 2017

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 from the requirement to prepare a strategic report.



Joshua Neumann (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered Accountants & statutory auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

18 December 2017

BASTION PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
TURNOVER	4	145,442	169,477
Cost of sales		<u>(93,890)</u>	<u>(125,340)</u>
GROSS PROFIT		51,552	44,137
Administrative expenses		<u>(11,014)</u>	<u>(12,604)</u>
Net valuation gains on investment property		385,000	130,815
Profit on disposal of investment property		<u>—</u>	<u>105,958</u>
OPERATING PROFIT	5	425,538	268,306
Interest receivable		170	236
Interest payable	7	<u>(52,034)</u>	<u>(50,030)</u>
PROFIT BEFORE TAXATION		373,674	218,512
Tax on profit	8	<u>(18,600)</u>	<u>361</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>355,074</u>	<u>218,873</u>

All the activities of the company are from continuing operations.

The notes on pages 8 to 17 form part of these financial statements.


BASTION PRODUCTS LIMITED

BALANCE SHEET

31 MARCH 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investment properties	9	2,673,535	2,288,535
Investments	10	<u>200</u>	<u>200</u>
		2,673,735	2,288,735
CURRENT ASSETS			
Debtors	11	2,040,542	2,127,833
Cash at bank and in hand		<u>2,308</u>	<u>3,342</u>
		2,042,850	2,131,175
CREDITORS: amounts falling due within one year	12	<u>(2,103,483)</u>	<u>(2,204,747)</u>
NET CURRENT LIABILITIES		<u>(60,633)</u>	<u>(73,572)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,613,102	2,215,163
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>(443,504)</u>	<u>(400,639)</u>
NET ASSETS		<u>2,169,598</u>	<u>1,814,524</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	<u>2,169,498</u>	<u>1,814,424</u>
TOTAL EQUITY		<u>2,169,598</u>	<u>1,814,524</u>

These financial statements were approved by the board of directors and authorised for issue on 18 December 2017, and are signed on behalf of the board by:


B S E Freshwater
Director

Company registration number: 470283

BASTION PRODUCTS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2017

	Called up share capital £	Profit and loss account £	Total £
AT 1 APRIL 2015	100	1,595,551	1,595,651
Profit for the year	—	218,873	218,873
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	218,873	218,873
AT 31 MARCH 2016	100	1,814,424	1,814,524
Profit for the year	—	355,074	355,074
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	355,074	355,074
AT 31 MARCH 2017	<u>100</u>	<u>2,169,498</u>	<u>2,169,598</u>

The balance on the profit and loss account at 31 March 2017 includes £2,188,176 of unrealised profits which are not available for distribution.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

1. GENERAL INFORMATION

Bastion Products Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

2. 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'.

3. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared under the historical cost convention except that investment property is measured at fair value.

The financial statements have been prepared in accordance with the accounting principles appropriate to going concern, notwithstanding the company's net current liabilities, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on available sources of finance.

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 20.

Disclosure exemptions

The Company's parent undertaking, The Raphael Freshwater Memorial Association Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of The Raphael Freshwater Memorial Association Limited are prepared in accordance with the Charities SORP and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover comprises rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Property outgoings

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Lease payments under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

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

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

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. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

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 investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

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.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES *(continued)*

Investment properties

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

- 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 the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

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. Any gain or loss arising from a change in fair value is recognised in the profit and loss account.

Disposals of properties

The company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the company's profit on ordinary activities, and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred. In addition the company also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Basic financial instruments

Trade and other debtors

Trade and other debtors 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. 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 for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. 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 for a similar debt instrument.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES *(continued)*

Income and expenses

Interest receivable and interest payable:

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

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Interest payable and similar charges include interest payable on intercompany loans and late payment charges.

Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in the The Raphael Freshwater Memorial Association Limited group.

4. TURNOVER

Turnover arises from:

	2017	2016
	£	£
Rent receivable	105,563	103,777
Service charges receivable	39,879	65,700
	<u>145,442</u>	<u>169,477</u>

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

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Fees payable for the audit of the financial statements	10,880	10,740
Movement in provision for bad debts	1,132	915

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent undertaking, The Raphael Freshwater Memorial Association Limited.

6. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees including the directors during the year (2016: £Nil).

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

7. INTEREST PAYABLE

	2017	2016
	£	£
Interest on banks loans and overdrafts	1,034	1,030
Group interest payable	<u>51,000</u>	<u>49,000</u>
	<u>52,034</u>	<u>50,030</u>

8. TAX ON PROFIT

Major components of tax expense/(income)

	2017	2016
	£	£
Current tax:		
Adjustments in respect of prior periods	(22,000)	–
Consideration payable for group relief - current year	<u>(2,265)</u>	<u>18,000</u>
Total current tax	<u>(24,265)</u>	<u>18,000</u>
Deferred tax:		
Origination and reversal of timing differences	65,123	23,539
Impact of change in tax rate	<u>(22,258)</u>	<u>(41,900)</u>
Total deferred tax	<u>42,865</u>	<u>(18,361)</u>
Tax on profit	<u>18,600</u>	<u>(361)</u>

All tax is recognised in the profit and loss account.

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017	2016
	£	£
Profit on ordinary activities before taxation	<u>373,674</u>	<u>218,512</u>
Profit on ordinary activities by rate of tax	74,735	43,702
Adjustment to tax charge in respect of prior periods	(22,000)	–
Effect of expenses not deductible for tax purposes	–	75
Impact of change in tax rate	(22,258)	(41,900)
Timing differences on unrealised gains	(11,877)	(2,624)
Other differences	–	386
Tax on profit	<u>18,600</u>	<u>(361)</u>

Factors that may affect future tax expense

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 18 November 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future tax charge accordingly.

The deferred tax liability at 31 March 2017 has been calculated based on the rate of 17% (2016: 18%).

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

9. INVESTMENT PROPERTIES

	Freehold property £	Long leasehold property £	Total £
Fair value			
At 1 April 2016	238,675	2,049,860	2,288,535
Revaluations	120,000	265,000	385,000
At 31 March 2017	358,675	2,314,860	2,673,535
Carrying amount			
At 31 March 2017	358,675	2,314,860	2,673,535
At 31 March 2016	238,675	2,049,860	2,288,535

Investment properties held at valuation

An independent professional revaluation of the Company's properties was carried out at 31 March 2017 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures are based on open market value assessed in accordance with the RICS Valuation - Professional Standards (2014).

Valuation techniques and key inputs

The company's residential apartments and houses (£2.3m 2016: £2.1m) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies. Sales value assumptions were in the range £558 to £624 per square foot (2016: £552 to £635).

The company's commercial units (£355,000 2016: £235,000) were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review. Equivalent yields used were 6.24% (2016: 6.44%) and the estimated rental value used was £50.67 per square foot (2016: £23).

Historical cost model

The historical cost of investment properties at 31 March 2017 is £41,855 (2016: £41,855).

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

10. INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 April 2016 and 31 March 2017	<u>4,802</u>
Impairment	
At 1 April 2016 and 31 March 2017	<u>4,602</u>
Carrying amount	
At 31 March 2017	<u>200</u>

The shares in subsidiary undertakings are stated at cost.

The company wholly owns 100% of the ordinary equity share capital of the following companies all of which are registered either in the UK or the USA.

Registered in UK

Brigade Properties Limited - Property investment
Kayville Properties Limited - Property investment

Registered office: Freshwater House, 158 - 162 Shaftesbury Avenue, London WC2H 8HR.

Registered in USA

Delbast Corporation (Dormant)

Registered office: 1651 Coney Island Ave, Brooklyn, NY, 11230.

The financial statements of the UK subsidiaries are made up to 31 March each year and those of the USA subsidiary to 31 December each year.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of The Raphael Freshwater Memorial Association Limited, a company incorporated in the United Kingdom and registered in England and Wales, which prepares group financial statements.

11. DEBTORS

	2017 £	2016 £
Trade debtors	27,121	26,036
Amounts owed by group undertakings	307,600	307,600
Other debtors	<u>1,705,821</u>	<u>1,794,197</u>
	<u>2,040,542</u>	<u>2,127,833</u>

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

11. DEBTORS *(continued)*

All debtors are payable within one year or are payable on demand. Intra-group loans are interest-free sterling loans repayable on demand.

Other debtors include £1,319,928 (2016 - £1,216,287) due from Freshwater Property Management Limited (note 18); £160,038 (2016 - £160,038) due from the Estate of a former director; and £160,039 (2016 - £160,039) due from the Estate of his wife. All amounts are interest-free sterling loans repayable on demand.

12. CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	24,730	17,375
Amounts owed to group undertakings	1,620,109	1,573,109
Other creditors	458,644	614,263
	<u>2,103,483</u>	<u>2,204,747</u>

Intra-group loans are sterling loans repayable on demand and comprise £736,167 (2016: £685,167) including interest payable at 8% per annum with the remaining intra-group loans being interest-free.

Other creditors include £421,832 (2016 - £555,525) due to Highdorn Co. Limited (note 18). The amount is an interest-free sterling loan repayable on demand.

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax (note 14) £
At 1 April 2016	400,639
Charge for the year	42,865
At 31 March 2017	<u>443,504</u>

14. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2017	2016
	£	£
Included in provisions for liabilities and charges (note 13)	<u>443,504</u>	<u>400,639</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Revaluation of investment properties	<u>443,504</u>	<u>400,639</u>

15. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

16. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

17. COMMITMENTS UNDER OPERATING LEASES

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	39,284	67,897
Later than 1 year and not later than 5 years	33,835	131,874
Later than 5 years	26,717	759,645
	<u>99,836</u>	<u>959,416</u>

18. DIRECTORS' INTERESTS IN CONTRACTS

The majority of the day-to-day management of the company's properties and its operations is carried out by Freshwater Property Management Limited ("FPM") and Highdorn Co. Limited ("Highdorn"). Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, either company.

Mr BSE Freshwater and Mr D Davis are also Governors of the parent undertaking of FPM, but have no beneficial interest in that company.

In their capacity as property managing agents, FPM and Highdorn collect rents and incur direct property expenses on behalf of the company.

During the year £3,168, including VAT, was payable to FPM for these services (2016: £575 refundable) which were charged for at normal commercial rates. The amount owing to FPM at 31 March 2017 for these services is £6,628 (2016: £9,942).

During the year there were no charges payable to Highdorn and no amounts were owing to Highdorn for these services at 31 March 2017 (2016: £Nil).

19. PARENT COMPANY AND CONTROLLING PARTY

The company is controlled by its parent undertaking, The Raphael Freshwater Memorial Association Limited, a company incorporated in England for charitable purposes.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up is The Raphael Freshwater Memorial Association Limited.

Copies of financial statements of The Raphael Freshwater Memorial Association Limited can be obtained from the following address:

Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The Raphael Freshwater Memorial Association Limited has no controlling party.

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20. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Property valuations

The valuation of the company's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 9). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 3 above, all the company's properties are valued by external valuers with appropriate qualifications and experience.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.