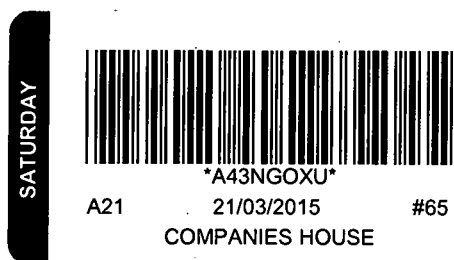


BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2014



COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

BASTION PRODUCTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

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BASTION PRODUCTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr B S E Freshwater
Mr D Davis

Company secretary

Mr M R M Jenner F.C.I.S.

Registered office

Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

Auditor

Cohen Arnold
Chartered Accountants
& Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

BASTION PRODUCTS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £156,138. The directors have not recommended a dividend.

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 do not require the directors to retire by rotation.

The directors do not have service contracts nor do they receive any emoluments from the company.

DIRECTORS' INTERESTS

The whole of the issued share capital of the company is owned by The Raphael Freshwater Memorial Association Limited, a company registered in Great Britain and incorporated in England for charitable purposes. Mr B S E Freshwater and Mr D Davis are governors of the parent undertaking but do not have any interest in the share capital of the company, the parent undertaking, or any direct or indirect subsidiary of the parent undertaking.

Day-to-day management of the company's properties and its operations are provided by Highdorn Co. Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a director of Highdorn Co. Limited and has a non-beneficial interest therein. Mr B S E Freshwater is also a director of Freshwater Property Management Limited and both he and Mr D Davis are governors of its parent undertaking, Mayfair Charities Limited, but have no beneficial interest in either company.

PROPERTIES

A professional valuation of all the Company's investment portfolio was carried out at 31 March 2014 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The valuation totalled £2.0 million (2013: £1.9 million) producing a surplus of £158,000 (2013: £188,500) which has been included in the profit and loss account.

BASTION PRODUCTS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

DIRECTORS' RESPONSIBILITIES

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

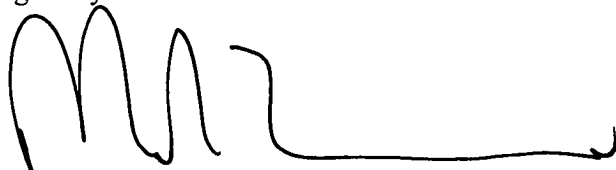
AUDITOR

Cohen Arnold are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has 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.

Signed by order of the directors



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

Approved by the directors on **1.0 MAR 2015**

BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BASTION PRODUCTS LIMITED
YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Bastion Products Limited for the year ended 31 March 2014 on pages 6 to 19. 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 set out on page 3, 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 annual 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 2014 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.

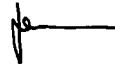
BASTION PRODUCTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BASTION PRODUCTS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2014

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 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

10 MAR 2015

BASTION PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER		111,235	137,119
Property outgoings		<u>(127,555)</u>	<u>(102,355)</u>
GROSS (LOSS)/PROFIT		(16,320)	34,764
Profit on disposal of investment property		43,719	-
Net valuation gains on investment property		158,000	188,500
Administrative Expenses		<u>(10,267)</u>	<u>(10,439)</u>
OPERATING PROFIT	2	175,132	212,825
Interest receivable		1,542	129
Interest payable and similar charges	4	<u>(50,536)</u>	<u>(49,077)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		126,138	163,877
Tax on Profit on Ordinary Activities	5	<u>30,000</u>	<u>(22,000)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>156,138</u>	<u>141,877</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 19 form part of these financial statements.

BASTION PRODUCTS LIMITED

BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Investment Property	6	2,013,020	1,855,020
Investments	7	200	200
		<u>2,013,220</u>	<u>1,855,220</u>
CURRENT ASSETS			
Debtors	8	1,932,609	1,808,650
Cash at Bank		18,660	5,328
		<u>1,951,269</u>	<u>1,813,978</u>
CREDITORS: Amounts falling due within one year	9	<u>(2,251,489)</u>	<u>(2,089,336)</u>
NET CURRENT LIABILITIES		<u>(300,220)</u>	<u>(275,358)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,713,000</u>	<u>1,579,862</u>
PROVISIONS FOR LIABILITIES	10	<u>(390,000)</u>	<u>(413,000)</u>
NET ASSETS		<u>1,323,000</u>	<u>1,166,862</u>
CAPITAL AND RESERVES			
Called-Up Equity Share Capital	13	100	100
Profit and Loss Account		<u>1,322,900</u>	<u>1,166,762</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1,323,000</u>	<u>1,166,862</u>

These accounts were approved by the directors and authorised for issue on **10 MAR 2015** and are signed on their behalf by:


MR B S E FRESHWATER

Director

Company Registration Number: 470283

The notes on pages 9 to 19 form part of these financial statements.

BASTION PRODUCTS LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 MARCH 2014

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 April 2012	100	1,024,885	1,024,985
Total comprehensive income for the period			
Profit	-	141,877	141,877
Balance at 31 March 2013	<u>100</u>	<u>1,166,762</u>	<u>1,166,862</u>

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 April 2013	100	1,166,762	1,166,862
Total comprehensive income for the period			
Profit	-	156,138	156,138
Balance at 31 March 2014	<u>100</u>	<u>1,322,900</u>	<u>1,323,000</u>

The balance on the profit and loss account at 31 March 2014 includes £1,581,165 of unrealised profits which are not available for distribution.

The notes on pages 9 to 19 form part of these financial statements.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

Basis of accounting

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.

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")*. The presentation currency of these financial statements is sterling.

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 a going concern, notwithstanding the company's net current liabilities, this being dependent primarily upon the continued provision of financial facilities by the parent undertaking, The Raphael Freshwater Memorial Association Limited.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in note 16.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102 in the transition period. The following exemption has been taken in these financial statements:

- Lease arrangements – in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at 1 April 2012 rather than commencement date of the arrangement.

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 this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures :

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

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 15.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (*continued*)

Related parties transactions

The company has taken advantage of the exemptions in FRS 102 in order to dispense with the requirement to disclose transactions with other companies in the Raphael Freshwater Memorial Association Limited group.

Turnover

Turnover comprises rents and charges receivable and is derived wholly from operations in the UK.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

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
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (*continued*)

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

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of 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.

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.

Profit on disposal of investment property includes the net proceeds from lease extensions.

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 receivable and similar income include interest receivable on intercompany loans and late payment charges.

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

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

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.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2014	2013
	£	£
Auditor's fees	<u>10,200</u>	<u>9,960</u>

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Other interest and similar charges	<u>50,536</u>	<u>49,077</u>

Interest paid to group undertakings amounted to £49,000 (2013 - £49,000).

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax :		
Consideration receivable for group relief	(7,000)	(5,000)
Total current tax	<u>(7,000)</u>	<u>(5,000)</u>
Deferred tax:		
Origination and reversal of timing differences	31,000	43,000
Change in tax rate	(54,000)	(16,000)
Total deferred tax	<u>(23,000)</u>	<u>27,000</u>
Total tax	<u><u>(30,000)</u></u>	<u><u>22,000</u></u>

All tax is recognised in the profit and loss account.

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 23% (2013 - 24%). The difference between the current tax charge for the year and a tax charge based on the standard rate of corporation tax in the UK is explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>126,138</u>	<u>163,877</u>
Profit on ordinary activities by rate of tax	29,012	39,330
Land remediation relief	(128)	(298)
Timing differences on unrealised gains	(59,340)	(18,240)
Disallowed expenses	-	1,238
Other differences	<u>456</u>	<u>(30)</u>
Total current tax (note 5(a))	<u><u>(30,000)</u></u>	<u><u>22,000</u></u>

(c) Factors that may affect future tax charges

The 2013 Budget announced on 20 March 2013 that the UK Corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge. The deferred tax liability at 31 March 2014 has been calculated based on the rate of 20%.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

6. INVESTMENT PROPERTY

	Freehold Properties £	Long Leasehold Properties £	Total £
FAIR VALUE			
At 1 April 2013	218,675	1,636,345	1,855,020
Revaluation	10,000	148,000	158,000
At 31 March 2014	<u>228,675</u>	<u>1,784,345</u>	<u>2,013,020</u>

The historical cost of investment properties at 31 March 2014 is £41,855 (2013: £41,855).

An independent professional revaluation of all the Company's properties was carried out at 31 March 2014 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 (£1,788,020) 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 £443 to £659 per square foot.

The company's commercial units (£225,000) 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% and estimated rental values used were £21.00 per square foot.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

7. INVESTMENTS

SHARES IN SUBSIDIARY UNDERTAKINGS

	£
COST	
At 1 April 2013 and 31 March 2014	<u>4,802</u>
AMOUNTS WRITTEN OFF	
At 1 April 2013 and 31 March 2014	<u>4,602</u>
NET BOOK VALUE	
At 31 March 2014 and 31 March 2013	<u>200</u>

The company holds the whole of the issued share capital in Brigade Properties Limited and Kayville Properties Limited, both of which are incorporated in the UK, and in Delbast Corporation which is incorporated in the USA.

The financial statements of the UK subsidiaries are made up to 31 March each year. The capital and reserves and profit and (loss) for the year ended 31 March 2014 are as follows:

	2014 £	2013 £
Aggregate capital and reserves		
Brigade Properties Limited	<u>853,356</u>	<u>837,886</u>
Kayville Properties Limited	<u>206,598</u>	<u>152,452</u>
Profit for the year		
Brigade Properties Limited	<u>15,470</u>	<u>126,013</u>
Kayville Properties Limited	<u>54,146</u>	<u>8,389</u>

The Financial Statements of Delbast Corporation, the USA subsidiary, are made up to 31 December each year and at 31 December 2011 (the latest Financial Statements available) they disclose capital and reserves of approximately £235,000 (U.S. Dollars 363,000).

The company is exempt by virtue of section 398 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.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

8. DEBTORS

	2014	2013
	£	£
Trade debtors	19,482	201,609
Amounts owed by group undertakings	307,600	307,600
Other debtors	1,598,527	1,294,441
Consideration receivable for group relief	7,000	5,000
	<u>1,932,609</u>	<u>1,808,650</u>

Other debtors include £1,019,317 (2013 - £853,253) due from Freshwater Property Management Limited (note 12), and £320,077 (2013 - £320,077) due from the estates of a former director and his wife.

All debtors are payable within one year or are payable on demand.

9. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	216,895	218,473
Amounts owed to group undertakings	1,562,109	1,567,109
Other creditors:		
Other creditors and accruals	472,485	303,754
	<u>2,251,489</u>	<u>2,089,336</u>

Other creditors and accruals include £448,974 (2013 - £269,499) due to Highdorn Co. Limited (note 12).

10. DEFERRED TAX LIABILITIES

The movement in the deferred taxation provision during the year was:

	£
At 1 April 2013	413,000
Credit to profit and loss account	<u>(23,000)</u>
At 31 March 2014	<u>390,000</u>

11. FINANCIAL INSTRUMENTS

	2014	2013
	£	£
Financial assets measured at cost less impairment:		
Investment in subsidiary undertakings	200	200
Financial assets measured at amortised cost:		
Trade debtors	19,482	201,609
Amounts owed by group undertakings	307,600	307,600
Other debtors	1,598,527	1,294,441
Consideration receivable for group relief	7,000	5,000
Cash at bank	18,660	5,328
Financial liabilities measured at amortised cost:		
Trade creditors	216,895	218,473
Amounts owed to group undertakings	1,562,109	1,567,109
Other creditors	<u>472,485</u>	<u>303,754</u>

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

12. DIRECTORS' INTERESTS IN CONTRACTS

Day-to-day management of the company's properties and its operations is carried out by Freshwater Property Management Limited and Highdorn Co. Limited respectively. 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.

During the year £15,203 (2013: £3,314), including VAT, was payable to Freshwater Property Management Limited for these services which were charged for at normal commercial rates.

The company has taken advantage of the exemption per FRS 102 "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other wholly owned Raphael Freshwater Memorial Association Limited group companies.

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14. PARENT UNDERTAKING AND CONTROLLING PARTY

The parent company is The Raphael Freshwater Memorial Association Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Raphael Freshwater Memorial Association Limited has no controlling party.

15. 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 6). 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 1 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.

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

16. 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 2014 and the comparative information presented in these financial statements for the year ended 31 March 2013.

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.

Reconciliation of equity

	1 April 2012 Effect of transition to			31 March 2013 Effect of transition to		
	UK GAAP	FRS 102	FRS 102	UK GAAP	FRS 102	FRS 102
	£	£	£	£	£	£
Fixed assets						
Investments	200	-	200	200	-	200
Investment properties (i)	-	1,666,520	1,666,520	-	1,855,020	1,855,020
	<u>200</u>	<u>1,666,520</u>	<u>1,666,720</u>	<u>200</u>	<u>1,855,020</u>	<u>1,855,220</u>
Current assets						
Properties held for trading (i)	41,855	(41,855)	-	41,855	(41,855)	-
Debtors	1,750,575	-	1,750,575	1,808,650	-	1,808,650
Cash at bank	19,214	-	19,214	5,328	-	5,328
	<u>1,811,644</u>	<u>(41,855)</u>	<u>1,769,789</u>	<u>1,855,833</u>	<u>(41,855)</u>	<u>1,813,978</u>
Creditors : amounts due within one year	<u>(2,025,524)</u>	<u>-</u>	<u>(2,025,524)</u>	<u>(2,089,336)</u>	<u>-</u>	<u>(2,089,336)</u>
Net current liabilities	<u>(213,880)</u>	<u>(41,855)</u>	<u>(255,735)</u>	<u>(233,503)</u>	<u>(41,855)</u>	<u>(275,358)</u>
Provisions for liabilities (ii)	<u>-</u>	<u>(386,000)</u>	<u>(386,000)</u>	<u>-</u>	<u>(413,000)</u>	<u>(413,000)</u>
Net (liabilities)/assets	<u>(213,680)</u>	<u>1,238,665</u>	<u>1,024,985</u>	<u>(233,303)</u>	<u>1,400,165</u>	<u>1,166,862</u>
Capital and reserves						
Called up share capital	100	-	100	100	-	100
Profit and loss account	(213,780)	1,238,665	1,024,885	(233,403)	1,400,165	1,166,762
Equity shareholders' funds	<u>(213,680)</u>	<u>1,238,665</u>	<u>1,024,985</u>	<u>(233,303)</u>	<u>1,400,165</u>	<u>1,166,862</u>

BASTION PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

16. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP (continued)

Reconciliation of profit/(loss) for the year to 31 March 2013

		31 March 2013 Effect of transition to	
	UK GAAP	FRS 102	FRS 102
	£	£	£
Turnover	137,119	-	137,119
Property outgoings	(102,355)	-	(102,355)
Gross profit	<u>34,764</u>	<u>-</u>	<u>34,764</u>
Net valuation gains on investment property (i)	-	188,500	188,500
Administrative Expenses	(10,439)	-	(10,439)
Operating profit	<u>24,325</u>	<u>188,500</u>	<u>212,825</u>
Interest receivable and similar income	129	-	129
Interest payable and similar charges	(49,077)	-	(49,077)
(Loss)/profit on ordinary activities before taxation	<u>(24,623)</u>	<u>188,500</u>	<u>163,877</u>
Tax on (loss)/profit on ordinary activities (ii)	5,000	(27,000)	(22,000)
(Loss)/profit for the year	<u><u>(19,623)</u></u>	<u><u>161,500</u></u>	<u><u>141,877</u></u>

The following were changes in accounting policies arising from the transition to FRS 102:

(i) Investment Properties

Previously the company's properties continued to be categorised as trading properties, shown in the balance sheet as stock within current assets, at the lower of cost and net realisable value. Under FRS 102 these properties fall to be categorised as investment properties within fixed assets and are held at fair value, with changes in fair value being recorded in the profit and loss account.

(ii) Deferred tax on unrealised investment property gains and losses

Previously no deferred tax arose on the company's properties as there were no timing differences between the accounting and tax treatment of any movements in carrying value. Under FRS 102, deferred tax is recognised on the difference between the cost for tax purposes and the fair value of the company's investment properties, with movements recorded in the profit and loss account.