

Fernturn Holdings Limited

Directors' Report and Unaudited

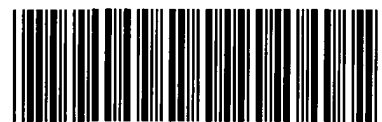
Financial Statements

Year Ended

30 June 2017

Company Number 00679117

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Fernturn Holdings Limited

Company Information

Directors	R P Ovens I J Webb
Company secretary	I J Webb
Registered number	00679117
Registered office	TLT LLP 1 Redcliff Street Bristol BS1 6TP
Accountant	BDO LLP Bridgewater House Counterslip Bristol BS1 6BX
Bankers	HSBC Bank plc 46 Fore Street Trowbridge Wiltshire BA14 8EL

Fernturn Holdings Limited

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Fernturn Holdings Limited

Directors' Report For the Year Ended 30 June 2017

The directors present their report together with the unaudited financial statements for the year ended 30 June 2017.

Principal activity

The principal activity of the company is property investment.

Directors

The directors who served during the year were:

R P Ovens
I J Webb

This report was approved by the board and signed on its behalf.



.....
I J Webb
Director

Date: 26.1.18

Fernturn Holdings Limited

Chartered Accountant's Report to the Board of Directors on the preparation of the unaudited financial statements of Fernturn Holdings Limited for the year ended 30 June 2017

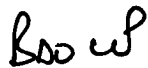
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Fernturn Holdings Limited for the year ended 30 June 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes from the company accounting records and from information and explanations you have given us.

As a practising member of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Fernturn Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 20 March 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Fernturn Holdings Limited and state those matters that we have agreed to state to the board of directors of Fernturn Holdings Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fernturn Holdings Limited and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Fernturn Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Fernturn Holdings Limited. You consider that Fernturn Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Fernturn Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



BDO LLP

Bristol, UK

Date: 1 February 2018

Fernturn Holdings Limited

Statement of Comprehensive Income For the Year Ended 30 June 2017

	Note	2017 £000	2016 £000
Turnover		252	258
Administrative expenses		(137)	(111)
Other operating charges		(271)	(327)
Operating loss		(156)	(180)
Interest receivable and similar income	5	122	101
Loss before tax		(34)	(79)
Tax on loss	6	-	-
Loss for the financial year		(34)	(79)
Actuarial gains on defined benefit pension scheme		12	1,772
Total comprehensive income for the year		(22)	1,693

The notes on pages 6 to 14 form part of these financial statements.

Fernturn Holdings Limited

Registered number: 00679117

Statement of Financial Position As at 30 June 2017


	Note	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Investment property	7		2,840		2,840
Current assets					
Debtors: amounts falling due within one year	8	74		99	
Cash at bank and in hand		340		345	
		<u>414</u>		<u>444</u>	
Creditors: amounts falling due within one year	9	(23)		(16)	
Net current assets			<u>391</u>		<u>428</u>
Total assets less current liabilities			<u>3,231</u>		<u>3,268</u>
Pension asset			4,265		4,250
Net assets			<u><u>7,496</u></u>		<u><u>7,518</u></u>
Capital and reserves					
Called up share capital	10		41		41
Capital redemption reserve	11		28		28
Profit and loss account	11		7,427		7,449
			<u><u>7,496</u></u>		<u><u>7,518</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
I J Webb
Director

Date: 26.1.18

The notes on pages 6 to 14 form part of these financial statements.

Fernturn Holdings Limited

Statement of Changes in Equity For the Year Ended 30 June 2017

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 July 2015	41	28	5,756	5,825
Comprehensive income for the year				
Loss for the year	-	-	(79)	(79)
Actuarial gains on pension scheme	-	-	1,772	1,772
Total comprehensive income for the year	-	-	1,693	1,693
At 1 July 2016	41	28	7,449	7,518
Comprehensive income for the year				
Loss for the year	-	-	(34)	(34)
Actuarial gains on pension scheme	-	-	12	12
Total comprehensive income for the year	-	-	(22)	(22)
At 30 June 2017	41	28	7,427	7,496

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

1. General information

Fernturn Holdings Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 1 Redcliff Street, Bristol, BS1 6TP and the company's principal activity is property investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in rounded thousands.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The director have considered the basis of preparation of the financial statements of the company on a going concern basis.

On 4 July 2013, the company completed a scheme of arrangement with all creditors relating to its previous trade. As part of the process, the company's defined benefit pension scheme was granted security over the freehold investment property owned by Fernturn Holdings Limited. At present, the majority of the freehold building is leased to third parties and the directors have agreed with the trustees of the defined benefit pension scheme that the business will pass surplus rental income, net of expenses, to the pension scheme. The directors believe that continuing on this basis will enable the company to continue to meet its obligations to the scheme.

2.3 Revenue

Revenue, which relates to the rental income from the company's investment property, is recognised in a straight line over the period of the lease.

2.4 Investment property

Investment property is carried at fair value determined annually by the directors having taken appropriate professional advice. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 the statement of comprehensive income.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Pensions

The company sponsors a defined benefit pension scheme, the Wilts Wholesale Electrical Company Limited Retirement Benefits Scheme. The level of benefits provided by the scheme depends on the member's length of service and their salary at the date of leaving the scheme. The scheme was closed to future accrual in 2006. The funds are valued every three years. The last funding valuation of the scheme as carried out by a qualified actuary as at 5 April 2014. In the intervening years, the actuary reviews the valuation taking account of experience over the period, changes in market conditions and differences in financial and demographic assumptions. The present value of the defined benefit obligation was measured using the projected unit credit method.

Defined benefit pension plan

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the statement of financial position date less the fair value of plan assets at the statement of financial position date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.10 Pensions (continued)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost/income is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost/income is recognised in profit or loss as a 'finance expense/income'..

2.11 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

Determine the appropriate valuation of the company's investment property. This involves an inevitable degree of judgement as value can only be reliably tested in the market itself.

Other key sources of estimation uncertainty:

Volatility of results - under FRS 102 pension accounting results can change dramatically depending on market conditions. The defined benefit obligation is linked to yields on AA -rated corporate bonds, while a significant proportion of the assets of the fund are invested in equities and diversified growth funds. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the pension plan and thus to volatility in the net pension asset on the company's statement of financial position and in other comprehensive income.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Directors	2	2

5. Interest receivable

	2017 £000	2016 £000
Interest on net defined benefit pension asset	122	101

6. Taxation

	2017 £000	2016 £000
Current tax on profits for the year	-	-

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.75% (2016 - 20 %).

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

6. Taxation (continued)

Factors that may affect future tax charges

The company has excess management expenses of £4,251,000 (2016 - £4,214,000) to offset against future profits of the property business. No deferred tax has been recognised in respect of these losses.

7. Investment property

	Freehold investment property £000
Valuation	
At 1 July 2016	2,840
At 30 June 2017	2,840

The 2017 valuation were made by the directors based on the 2012 professional valuation by BNP Paribas, on an open market value for existing use basis. The directors reviewed this professional valuation and revalued investment properties in the year ended 30 June 2013 based on prices of similar properties. The directors consider that this valuation continues to be appropriate.

8. Debtors

	2017 £000	2016 £000
Other debtors	74	99

9. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Other taxation and social security	10	6
Other creditors	13	10
	23	16

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

10. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
40,765 ordinary shares of £1 each	41	41

11. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve created on the purchase of the company's own shares.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

12. Pension commitments

The company sponsors a funded defined benefit pension scheme, the Wilts Wholesale Electrical Company Limited Retirement Scheme ("the scheme"). Under FRS102 the company is able to recognise a pension surplus on its statement of financial position on the basis that the trust deed and rules for the scheme permit a refund if there is a surplus on winding up.

The pension cost for the year ended 30 June 2017 is based on the advice of a professionally qualified actuary. The most recent formal actuarial valuation was at 5 April 2014.

Reconciliation of present value of plan liabilities:

	2017 £000	2016 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	16,521	14,663
Interest cost	457	552
Actuarial gains	1,234	1,598
Benefits paid	(370)	(292)
At the end of the year	17,842	16,521

Reconciliation of fair value of scheme assets:

	2017 £000	2016 £000
At the beginning of the year	20,771	17,279
Interest income	579	653
Actuarial gains	1,246	3,370
Contributions	152	88
Benefits paid	(370)	(292)
Expenses	(271)	(327)
At the end of the year	22,107	20,771

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

12. Pension commitments (continued)

Composition of plan assets:

	2017 £000	2016 £000
Equities	5,853	5,256
Diversified growth funds	5,298	5,149
Liability driven investments	10,818	10,269
Cash	138	97
Total plan assets	22,107	20,771
	2017 £000	2016 £000
Fair value of scheme assets	22,107	20,771
Present value of scheme liabilities	(17,842)	(16,521)
Net pension scheme assets	4,265	4,250

The amounts recognised in the income statement are as follows:

	2017 £000	2016 £000
Expenses	271	327
Interest on net defined benefit asset	(122)	(101)
Total	149	226

Fernturn Holdings Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

12. Pension commitments (continued)

	2017 £000	2016 £000
Analysis of actuarial loss recognised in Other Comprehensive Income		
Asset gains arising during the year	1,246	3,370
Experience losses arising on the scheme liabilities	(1,234)	(1,598)
	<u>12</u>	<u>1,772</u>

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2017 %	2016 %
Discount rate	2.65	2.80
Future pension increases to April 2005	2.10	1.80
Future pension increase post 5 April 2005	1.80	1.60
RPI inflation	3.20	2.85
- Life expectancy for a male aged 65 now	22.2 years	22.1 years
- Life expectancy at 65 for a male aged 45 now	24.6 years	24.5 years
- Life expectancy for a female aged 65 now	24.9 years	24.8 years
- life expectancy at 65 for a female member aged 45 now	27.8 years	27.6 years

13. Related party transactions

During the year £12,000 (2016 - £12,000) was paid to WayPoint Change LLP in respect of services provided by Nick Winks and Andy Pearson, who are partners of that firm. Nick Winks and Andy Pearson previously held senior management positions within Fernturn Holdings Limited. At the statement of financial position date £Nil (2016 - £1,200) was due to WayPoint Change LLP.

During the year £20,190 (2016 - £24,107) was paid to RP Ovens Limited in respect of services provided by R Ovens, who is a director of that firm. Ruth Ovens is a director of Fernturn Holdings Limited and this amount does not include fees payable in respect of her services to Fernturn Holdings Limited as a director. At the statement of financial position date £Nil (2016 - £Nil) was due to RP Ovens Limited.

During the year £19,338 (2016 - £17,005) was paid to IWFD Limited in respect of services provided by Ian Webb, who is a director of that firm. Ian Webb is a director of Fernturn Holdings Limited and this amount does not include fees payable in respect of his services to Fernturn Holdings Limited as a director. At the statement of financial position date £Nil (2016 - £Nil) was due to IWFD Limited.