

Registered number: 00836234

FOLKES PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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FOLKES PROPERTIES LIMITED

COMPANY INFORMATION

Directors	C J Folkes P M Turner C L Folkes A A Folkes S J Folkes A S Parker P Tomlinson J Monkton (resigned 1 May 2015) M T Bennett M King
Company secretary	P Tomlinson
Registered number	00836234
Registered office	Forge House Dudley Road Lye West Midlands DY9 8EL
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor Birmingham B3 2RT
Bankers	HSBC Bank plc 114 High Street Stourbridge West Midlands DY8 1DZ

FOLKES PROPERTIES LIMITED

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FOLKES PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,682,504 (2014 - £746,235).

There were no dividends paid in the year under review (2014 - £4,416,000)

Directors

The directors who served during the year were:

C J Folkes
P M Turner
C L Folkes
A S Parker
P Tomlinson
J Monkton (resigned 1 May 2015)
M T Bennett
M King
A A Folkes
S J Folkes

Future developments

The directors do not anticipate any significant future developments.

FOLKES PROPERTIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Mazars LLP, appointed in the year will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

This report was approved by the board on 27 June 2016 and signed on its behalf.



P Tomlinson
Secretary

Independent auditor's report to the members of Folkes Properties Limited

We have audited the financial statements of Folkes Properties Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 December 2015 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 the other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a Strategic report



Ian Holder (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street

Birmingham

B3 2RT

Date

27 June 2016

FOLKES PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**


	Note	2015 £	2014 £
Turnover	3	1,153,431	1,053,856
Gross profit		1,153,431	1,053,856
Administrative expenses		(156,127)	(148,499)
Fair value movements		987,623	4,343
Operating profit	4	1,984,927	909,700
Interest receivable and similar income	7	-	842
Profit before tax		1,984,927	910,542
Tax on profit	8	(302,423)	(164,307)
Profit for the year		1,682,504	746,235
Total comprehensive income for the year		1,682,504	746,235

FOLKES PROPERTIES LIMITED
REGISTERED NUMBER: 00836234

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	10	96,437	96,437
Investment property	11	14,789,050	13,801,427
		<u>14,885,487</u>	<u>13,897,864</u>
Current assets			
Debtors: amounts falling due within one year	12	1,410,156	632,600
Cash at bank and in hand	13	358,709	61,294
		<u>1,768,865</u>	<u>693,894</u>
Creditors: amounts falling due within one year	14	(6,195,804)	(5,906,668)
Net current liabilities		<u>(4,426,939)</u>	<u>(5,212,774)</u>
Total assets less current liabilities		<u>10,458,548</u>	<u>8,685,090</u>
Provisions for liabilities			
Deferred tax	16	(604,854)	(513,900)
		<u>(604,854)</u>	<u>(513,900)</u>
Net assets		<u>9,853,694</u>	<u>8,171,190</u>
Capital and reserves			
Called up share capital	17	10,000	10,000
Share premium account	18	111,494	111,494
Revaluation reserve	18	7,156,964	6,219,496
Other reserves	18	1,181,940	1,181,940
Profit and loss account	18	1,393,296	648,260
		<u>9,853,694</u>	<u>8,171,190</u>

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006, Pt. 15 [1], and authorised for issue by the board and were signed on its behalf on 27 June 2016.



P M Turner
Director

The notes on pages 9 to 22 form part of these financial statements.

FOLKES PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2015 (as previously stated)	10,000	111,494	6,219,496	1,181,940	608,205	8,131,135
Prior year adjustment	-	-	-	-	40,055	40,055
At 1 January 2015 (as restated)	10,000	111,494	6,219,496	1,181,940	648,260	8,171,190
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,682,504	1,682,504
Actuarial gains on pension scheme	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,682,504	1,682,504
Total other reserve movements	-	-	937,468	-	(937,468)	-
At 31 December 2015	10,000	111,494	7,156,964	1,181,940	1,393,296	9,853,694

FOLKES PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2014	10,000	111,494	6,448,998	1,181,940	4,088,523	11,840,955
Comprehensive income for the year						
Profit for the year	-	-	-	-	746,235	746,235
Other comprehensive income for the year						
	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	746,235	746,235
Dividends: Equity capital	-	-	-	-	(4,416,000)	(4,416,000)
Total other reserve movements	-	-	(229,502)	-	(4,186,498)	(4,416,000)
At 31 December 2014	10,000	111,494	6,219,496	1,181,940	648,260	8,171,190

The notes on pages 9 to 22 form part of these financial statements.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 Section 1A – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

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 2).

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.3 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.4 Investment property

Investment property is carried at fair value determined annually by qualified valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

1.5 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.6 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.

1.7 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.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.8 Financial instruments

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

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

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

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.

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

1.9 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.

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.11 Interest income

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

1.12 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 Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Investment Properties

The investment property valuation contains a number of assumptions upon which the directors have based their valuation of the company's properties. The assumptions on which the property valuation reports have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions. These assumptions are market standard and accord with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards 2012. However, if any assumptions made by the property valuer prove to be inaccurate, this may mean that the value of the company's properties differs from their valuation, which could have a material effect on the company's financial position.

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Rental income	1,153,431	1,053,856
	<u>1,153,431</u>	<u>1,053,856</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	2,500	-
	<u>2,500</u>	<u>-</u>

During the year, no director received any emoluments (2014 - £NIL).

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Auditor's remuneration

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>2,500</u>	<u>2,000</u>

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

7. Interest receivable

	2015 £	2014 £
Other interest receivable	-	842
	<u>-</u>	<u>842</u>

8. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	211,976	187,485
Adjustments in respect of previous periods	(507)	-
	<u>211,469</u>	<u>187,485</u>
Total current tax	<u>211,469</u>	<u>187,485</u>
Deferred tax		
Origination and reversal of timing differences	142,343	(23,178)
Changes to tax rates	(51,389)	-
Total deferred tax	<u>90,954</u>	<u>(23,178)</u>
Taxation on profit on ordinary activities	<u>302,423</u>	<u>164,307</u>

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,984,927</u>	<u>910,542</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	401,879	195,704
Effects of:		
Adjustments to tax charge in respect of prior periods	(507)	-
Effect of revaluation of investment properties	(29,794)	(41,482)
Effect of changes in tax rate	(69,155)	1,730
Deferred tax not recognised	-	8,355
Total tax charge for the year	<u><u>302,423</u></u>	<u><u>164,307</u></u>

Factors that may affect future tax charges

The UK corporation tax rate reduced from 21% to 20% from 1 April 2015. Further reductions to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. The rate of 18% is used for the calculation of the deferred tax position as at 31 December 2015 on the basis that it will materially reverse after 1 April 2020.

9. Dividends

	2015 £	2014 £
Dividends - £nil per share (2014: £441.60)	-	4,416,000
	<u><u>-</u></u>	<u><u>4,416,000</u></u>

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	374,785
At 31 December 2015	<u>374,785</u>
Impairment	
At 1 January 2015	278,348
At 31 December 2015	<u>278,348</u>
Net book value	
At 31 December 2015	<u>96,437</u>
At 31 December 2014	<u>96,437</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Newbank Construction (Halesowen) Ltd	UK	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Newbank Construction (Halesowen) Ltd	<u>97,017</u>

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. Investment property

	Freehold investment property £
Valuation	
At 1 January 2015	13,801,427
Surplus on revaluation	987,623
At 31 December 2015	14,789,050
Comprising	
Cost	13,801,427
Annual revaluation surplus/(deficit): 2015	987,623
At 31 December 2015	14,789,050

The 2015 valuations were made by the directors, on an open market value for existing use basis.

At 31 December 2015

12. Debtors

	2015 £	2014 £
Trade debtors	204,684	287,319
Amounts owed by group undertakings	1,010,522	171,708
Other debtors	194,950	173,573
	1,410,156	632,600

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	358,709	61,294
	<u>358,709</u>	<u>61,294</u>

14. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	42,568	41,484
Amounts owed to group undertakings	4,416,000	4,416,000
Amounts owed to associates	104,400	104,400
Corporation tax	96,976	96,992
Taxation and social security	103,779	57,180
Other creditors	1,432,081	1,190,612
	<u>6,195,804</u>	<u>5,906,668</u>

15. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	358,709	61,294
Financial assets that are debt instruments measured at amortised cost	1,410,156	632,600
	<u>1,768,865</u>	<u>693,894</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(5,995,049)	(5,752,496)
	<u>(5,995,049)</u>	<u>(5,752,496)</u>

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Deferred taxation

	Deferred tax £
At 1 January 2015	(513,900)
Charged to the profit or loss	(90,954)
At 31 December 2015	<u>(604,854)</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(182,941)	(202,971)
Other timing difference	16,187	7,755
Revaluation	(438,100)	(318,684)
	<u>(604,854)</u>	<u>(513,900)</u>

17. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

18. Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Revaluation reserve

Includes increases in reserves due to revaluation of investment properties

Other reserves

Capital redemption reserve resulting from the purchase of own shares

Profit & loss account

Includes all current and prior period retained profits and losses

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. Contingent liabilities

The Company is party to an unlimited guarantee to secure balances due to bankers by certain members of the group headed by Folkes Holdings Jersey Limited. At 31 December 2015 the secured bank borrowings were £35,685,000 (2014 - £36,875,000).

20. Related party transactions

During the year the company entered into transactions with various related parties and had outstanding balance at the year end receivable / (payable) as detailed below:

	2015	2014
	£	£
Folkes Holdings Jersey Ltd sale of investment property	-	740,000
John Folkes (Lye Forge) Ltd dividend paid	-	4,146,000
John Folkes (Lye Forge) Ltd balance payable	(4,146,000)	(4,146,000)
Somers Forge Ltd balance payable	(104,000)	(104,000)
Folkes Holdings Ltd management charge	181,000	130,000
Folkes Holdings Ltd balance receivable	1,010,522	171,701

21. Controlling party

The Company's immediate parent undertaking is John Folkes (Lye Forge) Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking is Folkes Holdings Jersey Limited, a company registered in Jersey.

The Company's ultimate controlling party is Mr C J Folkes who has a beneficial interest in 51% of the voting rights of Folkes Holdings Jersey Limited.

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. First time adoption of FRS 102

		As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note							
Fixed assets	1	14,633,521	-	14,633,521	13,949,019	(51,155)	13,897,864
Current assets	1	587,648	-	587,648	642,739	51,155	693,894
Creditors: amounts falling due within one year		(2,857,207)	-	(2,857,207)	(5,906,668)	-	(5,906,668)
Net current liabilities		(2,269,559)	-	(2,269,559)	(5,263,929)	51,155	(5,212,774)
Total assets less current liabilities		12,363,962	-	12,363,962	8,685,090	-	8,685,090
Provisions for liabilities	2	(185,622)	(337,385)	(523,007)	(184,985)	(328,915)	(513,900)
Net assets		12,178,340	(337,385)	11,840,955	8,500,105	(328,915)	8,171,190
Capital and reserves		12,178,340	(337,385)	11,840,955	8,500,105	(328,915)	8,171,190

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Turnover	1	1,016,772	37,084	1,053,856
		<u>1,016,772</u>	<u>37,084</u>	<u>1,053,856</u>
Administrative expenses		(148,499)	-	(148,499)
Other operating income	3	-	4,343	4,343
		<u>-</u>	<u>4,343</u>	<u>4,343</u>
Operating profit		868,273	41,427	909,700
Interest receivable and similar income		842	-	842
Taxation	2	(186,848)	22,541	(164,307)
		<u>(186,848)</u>	<u>22,541</u>	<u>(164,307)</u>
Profit on ordinary activities after taxation and for the financial year		682,267	63,968	746,235

Explanation of changes to previously reported profit and equity:

- 1 Rent free debtor has increased due to the period over which it is calculated being increased from the earliest break date to the life of the lease. This has resulted in a decrease in the recognised investment property asset by the same amount.
- 2 Deferred tax is now been provided on property revaluations.
- 3 Property fair value movements are now recognised in profit and loss