COMPANY REGISTRATION NUMBER: 01060048

FIRVILLE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2015

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

FIRVILLE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

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FIRVILLE INVESTMENTS LIMITED

DIRECTORS REPORT

YEAR ENDED 31 DECEMBER 2015

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

DIRECTORS

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

B S E Freshwater
D Davis

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

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

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes.

The company did not pay a dividend in the year (2014: £nil). The directors do not propose a final dividend for the year (2014: £nil).

PROPERTY

A professional valuation of the company's investment portfolio was carried out at 31 December 2015 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The valuation totalled £1,142,069 (2014: £885,290) producing a surplus of £256,779 (2014: £94,250) which has been included in the profit and loss account.

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

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

AUDITOR

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

This report was approved by the board of directors on 08 SEP 2016 and signed on behalf of the board by:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FIRVILLE INVESTMENTS LIMITED

YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Firville Investments Limited for the year ended 31 December 2015 which comprise the profit and loss account, statement of income and retained earnings, balance sheet 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).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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 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; 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

08 SEP 2016

FIRVILLE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
TURNOVER	3	**74,152**	84,037
Cost of sales		**(105,798)**	(44,988)
GROSS (LOSS)/PROFIT		**(31,646)**	39,049
Administrative expenses		**(8,400)**	(6,000)
Net valuation gains on investment property		**256,779**	94,250
Profit on disposal of investment property		**93,898**	289,202
OPERATING PROFIT	4	**310,631**	416,501
Interest payable	6	**(23,000)**	(35,983)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**287,631**	380,518
Taxation on ordinary activities	7	**22,886**	(80,000)
PROFIT FOR THE FINANCIAL YEAR		**310,517**	300,518

All the activities of the company are from continuing operations.

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

FIRVILLE INVESTMENTS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED 31 DECEMBER 2015

	Note	**2015**	2014
		£	**£**
Profit for the financial year and total comprehensive income		**310,517**	300,518
RETAINED LOSSES AT THE START OF THE YEAR		**(489,267)**	(789,785)
RETAINED LOSSES AT THE END OF THE YEAR		**(178,750)**	(489,267)

The balance on the profit and loss account at 31 December 2015 includes £236,603 of unrealised profits.

FIRVILLE INVESTMENTS LIMITED

BALANCE SHEET

31 DECEMBER 2015

	Note	2015 £	2015 £	2014 £	2014 £
FIXED ASSETS					
Investment Property	**8**		**1,142,069**		885,290
CURRENT ASSETS					
Debtors	**9**	**48,421**		37,405	
CREDITORS: amounts falling due within one year	**10**	**(1,222,274)**		(1,298,862)	
NET CURRENT LIABILITIES			**(1,173,853)**		(1,261,457)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(31,784)**		(376,167)
PROVISIONS	**12**		**(146,866)**		(113,000)
NET LIABILITIES			**(178,650)**		(489,167)
CAPITAL AND RESERVES					
Called up share capital	**13**		**100**		100
Profit and loss account	**14**		**(178,750)**		(489,267)
SHAREHOLDERS DEFICIT			**(178,650)**		(489,167)

These financial statements were approved by the board of directors and authorised for issue on 0 8..SEP....2016.., and are signed on behalf of the board by:

B S E Freshwater
Director

Company registration number: 01060048

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

1. STATEMENT OF COMPLIANCE

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

2. ACCOUNTING POLICIES

Basis of preparation

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

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, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Metropolitan Properties Company Limited, the company's intermediate parent undertaking. The Metropolitan Properties Company Limited group has considerable financial resources together with a large property portfolio and access to credit facilities. Metropolitan Properties Company Limited has provided the company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2. ACCOUNTING POLICIES *(continued)*

Disclosure exemptions

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 FRS102 in respect of the following disclosures:

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

The Company's intermediate parent undertaking, Metropolitan Properties Company Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Metropolitan Properties Company Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements and key sources of estimation uncertainty

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 19.

Turnover

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

Property outgoings

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

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

2. ACCOUNTING POLICIES *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

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

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

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.

Disposals of properties

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

2. ACCOUNTING POLICIES *(continued)*

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.

Income and expenses

Interest receivable and Interest payable:

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

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

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

Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in the Metropolitan Properties Company Limited group.

3. TURNOVER

Turnover arises from:

	2015	2014
	£	£
Rent Receivable	**74,152**	84,037

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

4. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Fees payable for the audit of the financial statements	**4,800**	4,800

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

5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to the directors during the year (2014: £Nil).

The staff provided by the property and administrative management company, Highdorn Co. Limited, are engaged under joint employment contracts with a fellow subsidiary undertaking of the company and their costs subsequently recharged to the company at a level appropriate to the activity of the company. No recharges were made during the year (2014: Nil).

6. INTEREST PAYABLE

	2015	2014
	£	£
Group interest payable	**23,000**	35,983

7. TAXATION ON ORDINARY ACTIVITIES

Major components of tax (income)/expense

	2015	2014
	£	£
Current tax:		
Adjustments in respect of prior years	**(63,000)**	–
Consideration payable for group relief	**6,248**	62,000
Total current tax	**(56,752)**	62,000
Deferred tax:		
Origination and reversal of timing differences	**45,166**	18,000
Impact of change in tax rate	**(11,300)**	–
Total deferred tax	**33,866**	18,000
Taxation on ordinary activities	**(22,886)**	80,000

All tax is recognised in the profit and loss account.

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015	2014
	£	£
Profit on ordinary activities before taxation	**287,631**	380,518
Profit on ordinary activities by rate of tax	**58,245**	81,811
Adjustment to tax charge in respect of prior periods	**(63,000)**	–
Land remediation relief	–	(126)
Impact of change in tax rate	**(11,300)**	–
Timing differences on unrealised gains	**(6,832)**	(2,264)
Difference between chargeable gains and profit on sale of investment property	**170,646**	–
Utilisation of losses brought forward	**(170,646)**	–
Other differences	**1**	579
Tax on profit on ordinary activities	**(22,886)**	80,000

Factors that may affect future tax income

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantially enacted on 18 November 2015. This will reduce the Company's future tax charge accordingly. A further reduction to UK corporation tax rate to 17% was announced on 16 March 2016 but this has not yet been enacted into law.

8. INVESTMENT PROPERTY

	Leasehold Property
	£
Fair value	
At 1 January 2015	**885,290**
Revaluations	**256,779**
At 31 December 2015	**1,142,069**
Carrying amount	
At 31 December 2015	**1,142,069**
At 31 December 2014	885,290

8. INVESTMENT PROPERTY *(continued)*

Investment Property held at valuation

An independent professional revaluation of the Company's property was carried out at 31 December 2015 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 (£1.1 million) 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 £600 per square foot.

Historical cost model

The historical cost of investment properties at 31 December 2015 is £758,600 (2014: £758,600).

9. DEBTORS

	2015	2014
	£	£
Trade debtors	**35,547**	34,499
Amounts owed by group undertakings	**520**	520
Other debtors	**12,354**	2,386
	48,421	37,405

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

10. CREDITORS: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	**7,590**	8,932
Amounts owed to group undertakings	**1,191,804**	1,215,470
Shares classed as financial liabilities	**100**	100
Other creditors	**22,780**	74,360
	1,222,274	1,298,862

Intra-group loans are sterling loans repayable on demand with interest paid at the rate of 6.81% per annum (2014: 4.74% per annum).

11. DEFERRED TAX

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

	2015	2014
	£	£
Included in provisions (note 12)	**146,866**	113,000

12. PROVISIONS

	Deferred tax (note 11)
	£
At 1 January 2015	113,000
Additions	33,866
At 31 December 2015	146,866

13. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Amounts presented in equity:				
Ordinary shares of £1 each	100	100	100	100
Amounts presented in liabilities:				
Preference shares of £1 each	100	100	100	100

The non-cumulative preference shares confer the rights on the holders to receive a non-cumulative dividend each year at the rate of 6% on the amounts paid up. These shares would rank above the ordinary shares and be redeemable at par in the event of a winding up of the company. There are insufficient reserves to pay a dividend.

14. CAPITAL AND RESERVES

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

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

15. COMMITMENTS UNDER OPERATING LEASES

As lessor

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

	2015	2014
	£	£
Not later than 1 year	24,630	12,578
Later than 1 year and not later than 5 years	16,324	13,740
Later than 5 years	257,366	222,069
	298,320	248,387

16. CHARGES ON ASSETS AND GUARANTEES

The company has executed a floating charge over all the assets and undertaking of the company as part security for loan facilities granted to Centremanor (E.S.) Limited, a subsidiary of an intermediate parent undertaking. At 31 December 2015 the aggregate indebtedness amounted to £30,425,000 (2014: £30,425,000).

17. DIRECTORS' INTERESTS IN CONTRACTS

The majority of the day to day management of the company's properties and its operations is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies, with which this company is closely related. Mr B S E Freshwater is a director but has no beneficial interest in the share capital of that company.

During the year £1,693 (2014: £1,598), including VAT, was payable to Highdorn Co. Limited for these services which were charged for at normal commercial rates. The amount owing to Highdorn Co. Limited at 31 December 2015 is £6,590 (2014: £962).

18. PARENT COMPANY AND CONTROLLING PARTY

The company is controlled by its immediate parent undertaking, Metropolitan Properties Company (F.G.C) Limited, a company registered in England and Wales.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited, a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address:

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

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.

19. 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 8). 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 2 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.

The following pages do not form part of the financial statements

FIRVILLE INVESTMENTS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
TURNOVER	**74,152**	84,037
COST OF SALES		
General and water rates	**(2,325)**	(2,806)
Repairs and renewals	**(8,243)**	(15,245)
Legal and professional	**(8,121)**	(22,273)
Service charges payable	**(58,983)**	(3,619)
Light and heat	**(707)**	553
Porterage and cleaning	**(354)**	–
Management commission	**(20,769)**	(1,598)
Letting Commission	**(6,296)**	–
	(105,798)	(44,988)
GROSS (LOSS)/PROFIT	**(31,646)**	39,049
OVERHEADS		
Administrative expenses	**(8,400)**	(6,000)
Net valuation gains on investment property	**256,779**	94,250
Profit on disposal of investment property	**93,898**	289,202
OPERATING PROFIT	**310,631**	416,501
Interest payable	**(23,000)**	(35,983)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**287,631**	380,518

FIRVILLE INVESTMENTS LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
ADMINISTRATIVE EXPENSES		
Legal and professional fees	**(3,600)**	(1,200)
Auditors remuneration	**(4,800)**	(4,800)
	(8,400)	(6,000)
INTEREST PAYABLE		
Group Interest Payable	**(23,000)**	(35,983)