

Financial Statements

Corob Consolidated Limited

For the year ended 31 December 2015



Registered number: 01797570

Company Information

Directors

Mrs E Corob
Ms T A Corob
Ms L E Corob
Ms A L Corob
Mr F Cook
Mr J V Hajnal

Company secretary

Mr J G Radford, FCCA

Registered number

01797570

Registered office

62 Grosvenor Street
London
W1K 3JF

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

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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.

Principal activities

The principal activity of the company was of an investment holding company. The principal activities of the group were property investment and dealing in property, securities and management services.

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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Mrs E Corob
Ms T A Corob
Ms L E Corob
Ms A L Corob
Mr F Cook
Mr J V Hajnal

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 and the Group'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 and the Group's auditor is aware of that information.

Corob Consolidated Limited

Directors' Report

For the Year Ended 31 December 2015

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *22 September 2016*

and signed on its behalf.



Mr J G Radford, FCCA
Secretary



Independent Auditor's Report to the Shareholders of Corob Consolidated Limited

We have audited the financial statements of Corob Consolidated Limited for the year ended 31 December 2015, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

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

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 website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 and of the Group's 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 and the directors' report has been prepared in accordance with applicable legal requirements.



Independent Auditor's Report to the Shareholders of Corob Consolidated Limited

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 Group Strategic Report.

Grant Thornton UK LLP

Elizabeth Collins (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

London

Date: *22 September 2016*

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover		2,142,773	1,984,779
Cost of sales		(160,232)	(324,625)
Gross profit		1,982,541	1,660,154
Administrative expenses		(2,212,613)	(2,030,049)
Gain on revaluation of investment property	5	814,900	822,000
Operating profit	6	584,828	452,105
Share of profit of associates		4,061,551	2,461,550
Total operating profit		4,646,379	2,913,655
Gains/(loss) on disposal of current asset investments		6,031	(689)
Gain/(loss) on financial assets/liabilities at fair value through profit or loss	24	256,689	(232,564)
Interest receivable and similar income	9	1,406,582	1,367,866
Interest payable and expenses	10	(1,740,984)	(1,524,187)
Other finance cost		(34,000)	(44,000)
Profit on ordinary activities before taxation		4,540,697	2,480,081
Tax on profit	12	(48,369)	(70,192)
Profit for the year		4,492,328	2,409,889
Actuarial gains/(losses) on defined benefit pension scheme		114,000	(521,000)
Movement of deferred tax relating to pension surplus		(77,770)	92,460
Other movement in profit and loss reserve		-	(52,807)
Other comprehensive income for the year		36,230	(481,347)
Total comprehensive income for the year		4,528,558	1,928,542

All operations are continuing.

The notes on pages 12 to 41 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2015


	Note	2015 £	2014 £
Fixed assets			
Tangible assets	13	101,308	62,229
Investments	15	24,073,132	19,475,947
Investment property	14	30,696,686	29,881,786
		<u>54,871,126</u>	<u>49,419,962</u>
Current assets			
Stocks	18	381,593	381,593
Debtors: amounts falling due within one year	19	47,666,724	48,367,961
Current asset investments	20	1,230,019	937,962
Cash at bank and in hand	21	1,516,316	1,674,980
		<u>50,794,652</u>	<u>51,362,496</u>
Creditors: amounts falling due within one year	22	(33,814,511)	(33,361,572)
Net current assets		<u>16,980,141</u>	<u>18,000,924</u>
Total assets less current liabilities		<u>71,851,267</u>	<u>67,420,886</u>
Creditors: amounts falling due after more than one year	23	(20,266,459)	(20,262,775)
Provisions for liabilities			
Deferred taxation	25	(288,476)	(240,107)
		<u>(288,476)</u>	<u>(240,107)</u>
Net assets excluding pension liability		<u>51,296,332</u>	<u>46,918,004</u>
Pension liability		(681,600)	(831,830)
Net assets		<u>50,614,732</u>	<u>46,086,174</u>
Capital and reserves			
Called up share capital	26	5,000,000	5,000,000
Investment property reserve	27	22,654,020	17,926,527
Other reserves	27	29,155,695	29,155,695
Profit and loss account	27	(6,194,983)	(5,996,048)
Equity attributable to owners of the parent Company		<u>50,614,732</u>	<u>46,086,174</u>

Corob Consolidated Limited
Registered number:01797570

Consolidated Statement of Financial Position (continued)

As at 31 December 2015

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

22 September 2016


Mr F Cook
Director

The notes on pages 12 to 41 form part of these financial statements.

Company Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	15	46,476,864	46,476,864
		<u>46,476,864</u>	<u>46,476,864</u>
Current assets			
Cash at bank and in hand	21	19	19
		<u>19</u>	<u>19</u>
Creditors: amounts falling due within one year	22	(1,803,641)	(1,803,641)
Net current liabilities		<u>(1,803,622)</u>	<u>(1,803,622)</u>
Total assets less current liabilities		<u>44,673,242</u>	<u>44,673,242</u>
Net assets		<u><u>44,673,242</u></u>	<u><u>44,673,242</u></u>
Capital and reserves			
Called up share capital	26	5,000,000	5,000,000
Investments reserve	27	39,930,269	39,930,269
Profit and loss account	27	(257,027)	(257,027)
		<u>44,673,242</u>	<u>44,673,242</u>

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

22 September 2016
Felix Cook
Mr F Cook
Director

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2015

	Share capital	Investment property revaluation reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2015	5,000,000	17,926,527	29,155,695	(5,996,048)	46,086,174
Comprehensive income for the year					
Profit for the year	-	-	-	4,492,328	4,492,328
Actuarial gains on pension scheme	-	-	-	36,230	36,230
Other comprehensive income for the year	-	-	-	36,230	36,230
Total comprehensive income for the year	-	-	-	4,528,558	4,528,558
Transfer to/from profit and loss account	-	4,727,493	-	(4,727,493)	-
At 31 December 2015	5,000,000	22,654,020	29,155,695	(6,194,983)	50,614,732

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2014

	Share capital	Investment property revaluation reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2014	5,000,000	14,542,027	29,155,695	(4,540,090)	44,157,632
Comprehensive income for the year					
Profit for the year	-	-	-	2,409,889	2,409,889
Actuarial losses on pension scheme	-	-	-	(428,540)	(428,540)
Foreign exchange movement	-	-	-	(52,807)	(52,807)
Other comprehensive income for the year	-	-	-	(481,347)	(481,347)
Total comprehensive income for the year	-	-	-	1,928,542	1,928,542
Transfer to/from profit and loss account	-	3,384,500	-	(3,384,500)	-
At 31 December 2014	5,000,000	17,926,527	29,155,695	(5,996,048)	46,086,174

The notes on pages 12 to 41 form part of these financial statements.

Company Statement of Changes in Equity

For the Year Ended 31 December 2015

	Share capital	Investments reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2015	5,000,000	39,930,269	(257,027)	44,673,242
Total comprehensive income for the year	-	-	-	-
At 31 December 2015	<u>5,000,000</u>	<u>39,930,269</u>	<u>(257,027)</u>	<u>44,673,242</u>

Company Statement of Changes in Equity

For the Year Ended 31 December 2014

	Share capital	Investments reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2014	5,000,000	39,930,269	(257,027)	44,673,242
Total comprehensive income for the year	-	-	-	-
At 31 December 2014	<u>5,000,000</u>	<u>39,930,269</u>	<u>(257,027)</u>	<u>44,673,242</u>

The notes on pages 12 to 41 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. General information

Corob Consolidated Limited is a private limited company, limited by shares and is incorporated in England. The registered office is 62 Grosvenor Street, London, W1K 3JF.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain assets and liabilities as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 31 for an explanation of the transition.

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 financial statements are presented in Sterling (£).

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiary undertakings, together with the group's share of net assets and results of associated undertakings. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the group statement of comprehensive income from or up to the date that control passes respectively.

In respect of the associates, the group recognises its share of losses to the extent that it reduces the carrying amount of the investment in associates to zero. Further losses are recognised as a provision only to the extent that the investor has incurred a legal or constructive obligation or has made payments on behalf of the associate.

As consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

2.3 Cash flow

The company has taken advantage of the exemption in FRS102 7.1B to not present cashflows.

2.4 Going concern

After reviewing the group's forecasts and projections, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.5 Turnover

Group turnover is represented by rental income, service charges, management commissions and dividends receivable on investments held.

Rental and service charge income is recognised on a receivable basis, exclusive of Value Added Tax. The cost of lease incentives is offset against the total rents due and the net income is then spread evenly over the duration of the lease.

Management commissions are recognised when, and to the extent that, the company obtains the right to consideration in exchange for performance of management services.

Dividend income is recognised in the income statement on a receivable basis.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	- 25% on written down value
Fixtures and fittings	- 5% to 20% on cost or written down value

2.7 Investments

Investments in subsidiary and associated undertakings are valued at cost less provisions for impairment in the parent company.

2.8 Investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the income statement and accumulated in the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the income statement for the year. The fair value is determined annually by valuation specialists employed by the Company.

The valuer used a valuation technique based on a discounted cash flow model using inputs derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in location. The key assumptions used to determine the fair value of investment property are further explained in note 3.

2.9 Operating leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.10 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.11 Financial instruments

The Group 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.

The Group has also entered into a non-basic derivative financial instrument transaction that is initially measured at fair value on the date on which the contract is entered into and is subsequently measured at fair value through profit or loss.

The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

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.

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 income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.12 Stocks

Stocks, comprising property held for trading, are valued at the lower of cost and net realisable value.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.13 Current asset investments

Current asset investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit or loss). Subsequently, they are measured at fair value through profit or loss except for those investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measurement of fair value becomes available.

If a reliable measure of fair value is no longer available, the investment's fair value on the last date the instrument was reliably measurable is treated as the cost of the investment.

2.14 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.

2.15 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.

2.16 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.17 Pensions

The Group, as an employer, contributes to a money purchase pension scheme for the benefit of certain employees and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group operates a final salary defined benefit pension scheme under which retirement benefits are funded by contributions from the Group and its employees. Payment is made to the pension in accordance with calculations made periodically by consulting actuaries.

The company applies the provisions of FRS 102.28 'Retirement Benefits'. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the group. The amount charged to the income statement in respect of pension costs and other post-retirement benefits is the current service cost of providing the benefits, curtailment and settlement gains and losses and financial returns on the pension fund, all reflected in the period to which they relate. The current service cost and costs from settlements and curtailments are charged against operating profit. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are recorded through other comprehensive income. Disclosure has been made of the assets and liabilities of the scheme under FRS 102.28 in note 28 to the accounts.

2.18 Hedge accounting

The Group has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

2.19 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Interest income

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

Notes to the Financial Statements

For the Year Ended 31 December 2015

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

Investment properties

The fair value of the company's investment property as at 31 December 2015 was determined by the Directors. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties. Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

There are inter relationships between all the inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions.

Interest rate swap

The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

Market value of interest

The directors are required to make judgements in determining a market rate of interest on the intercompany and related party loans and how they are classified (ie as non-financing or financing). The directors have assessed the market rate of interest on these loans to equate to 2.5% above base rate. This judgement has been made based on rates of similar transactions the Company has entered into.

Recoverability of loans to associates

The Directors remain in regular contact with Redress Solutions plc and are satisfied that the investment is represented at Fair Value as at the Balance Sheet date and the loan provided to the Company is recoverable.

Notes to the Financial Statements

For the Year Ended 31 December 2015

4. Turnover

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

	2015 £	2014 £
Rental income	1,731,507	1,518,798
Management services	397,119	454,319
Dividend income	14,147	11,662
	<u>2,142,773</u>	<u>1,984,779</u>

All turnover arose within the United Kingdom.

5. Gain on revaluation of investment property

	2015 £	2014 £
Revaluation of investment properties	814,900	822,000
	<u>814,900</u>	<u>822,000</u>

6. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	26,126	12,260
Auditor's remuneration	70,510	62,100
Auditor's remuneration - non-audit	58,075	53,405
Defined benefit pension cost	56,376	68,990
	<u>56,376</u>	<u>68,990</u>

The profit after tax dealt with in the financial statements of the parent company was £Nil (2014: £Nil).

Notes to the Financial Statements

For the Year Ended 31 December 2015

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,242,480	1,266,868
Social security costs	159,279	183,875
Cost of defined contribution scheme	14,376	23,990
	<u>1,416,135</u>	<u>1,474,733</u>

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

	2015 No.	2014 No.
Management and administration	<u>16</u>	<u>16</u>

8. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	<u>876,320</u>	<u>833,364</u>
	<u>876,320</u>	<u>833,364</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

The total contributions payable to the pension scheme in the year amounted to £42,000 (2014: £45,000).

9. Interest receivable

	2015 £	2014 £
Interest receivable from related parties and associates	1,406,315	1,367,509
Other interest receivable	267	357
	<u>1,406,582</u>	<u>1,367,866</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Interest payable

	2015 £	2014 £
Bank interest payable	783,037	725,752
On other loans from related parties	957,947	798,435
	<u>1,740,984</u>	<u>1,524,187</u>

11. Other finance costs

	2015 £	2014 £
Net interest on net defined benefit liability	(34,000)	(44,000)
	<u>(34,000)</u>	<u>(44,000)</u>

12. Taxation

	2015 £	2014 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	72,363	70,192
Effect of tax rate on opening balance	(23,994)	-
Total deferred tax	<u>48,369</u>	<u>70,192</u>
Taxation on profit on ordinary activities	<u>48,369</u>	<u>70,192</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

12. 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 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>4,540,697</u>	<u>2,480,081</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	919,491	532,969
Effects of:		
Income not taxable for tax purposes - fair value adjustment on property	(176,337)	(194,011)
Expenses not deductible for tax purposes	66,580	20,719
Adjustment to brought forward values - pension	(50,246)	-
Chargeable gains / (losses)	115,679	129,145
Changes in deferred tax rates	61,494	1,815
Deferred tax not recognised	(20,228)	94,481
Tax effect of share of results of associates	(822,464)	(529,233)
Other timing differences	(45,600)	14,307
Total tax charge for the year	<u><u>48,369</u></u>	<u><u>70,192</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

13. Tangible fixed assets

Group

	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 January 2015	29,622	149,526	179,148
Additions	-	65,205	65,205
At 31 December 2015	29,622	214,731	244,353
Depreciation			
At 1 January 2015	13,332	103,587	116,919
Charge for the year	4,073	22,053	26,126
At 31 December 2015	17,405	125,640	143,045
Net book value			
At 31 December 2015	12,217	89,091	101,308
At 31 December 2014	16,290	45,939	62,229

Notes to the Financial Statements

For the Year Ended 31 December 2015

14. Investment property**Group**

	Freehold investment property £
Valuation	
At 1 January 2015	29,881,786
Surplus on revaluation	814,900
At 31 December 2015	30,696,686

The 2015 valuations were carried out by Mr T Shillinglaw, a Member of the Royal Institution of Chartered Surveyors, and an employee of Corob Holdings Limited.

Security is held over the Group's freehold investment property in respect of the bank loan.

The historical cost value of the investment property is £19,707,013 (2014: £19,707,013).

15. Fixed asset investments**Group**

	Investments in associates £	Loans to associates £	Total £
Cost or valuation			
At 1 January 2015	18,984,537	491,410	19,475,947
Additions	-	535,634	535,634
Share of profit	4,061,551	-	4,061,551
At 31 December 2015	23,046,088	1,027,044	24,073,132
Net book value			
At 31 December 2015	23,046,088	1,027,044	24,073,132
At 31 December 2014	18,984,537	491,410	19,475,947

Notes to the Financial Statements

For the Year Ended 31 December 2015

15. Fixed asset investments (continued)

Associated undertakings

The shares in the related undertakings are represented by the following:

Corob Retail Investments Limited - 49%
 Corob Mayfair Properties Limited - 40%
 Corob Central Properties Limited - 40%
 Corob Noho Properties Limited - 40%
 Redress Solutions Plc - 30%

These companies are all property investment companies, with the exception of Redress Solutions Plc whose principal activity is litigation, and all are incorporated in England. Corob Retail Investments Limited and Redress Solutions Plc prepare accounts to 30 June and Corob Mayfair Properties Limited, Corob Central Properties Limited, Corob Noho Limited and Corob Mayfair Holdings Limited to 31 December respectively.

The group's share of the results of these undertakings for the years ended 30 June 2015 and 31 December 2015 respectively have been included in the consolidated accounts. Additional information regarding the associated undertakings can be found in note 16.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	46,476,864
At 31 December 2015	<u>46,476,864</u>
Net book value	
At 31 December 2015	<u>46,476,864</u>
At 31 December 2014	<u><u>46,476,864</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

16. Share of associated undertakings

	2015 £	2014 £
Corob Retail Investments Limited - Profit and loss account		
Share of profit before tax	1,067,530	314,982
Share of taxation	(203,687)	(38,713)
Share of profit after tax	863,843	276,269
Share of turnover for 2015 was £394,461 (2014: £390,521).		
	2015 £	2014 £
Corob Mayfair Properties Limited - Profit and loss account		
Share of profit before tax	1,559,595	1,315,883
Share of taxation	(124,523)	(230,031)
Share of profit after tax	1,435,072	1,085,852
Share of turnover for 2015 was £468,578 (2014: £363,230).		
	2015 £	2014 £
Corob Central Properties Limited - Profit and loss account		
Share of profit before tax	1,720,586	1,322,434
Share of taxation	(169,087)	(242,115)
Share of profit after tax	1,551,499	1,080,319
Share of turnover for 2015 was £865,245 (2014: £761,766).		
	2015 £	2014 £
Corob Noho Properties Limited - Profit and loss account		
Share of profit before tax	251,861	17,040
Share of taxation	(40,724)	(3,408)
Share of profit after tax	211,137	13,632
Share of turnover for 2015 was £60,503 (2014: £51,993).		

Notes to the Financial Statements

For the Year Ended 31 December 2015

Share of associated undertakings (continued)**Redress Solutions plc - Profit and loss account**

	2015 £	2014 £
Share of loss before tax	(64,589)	-
Share of taxation	-	-
Share of loss after tax	(64,589)	-

Share of turnover for 2015 was £nil (2014: £nil).

	2015 £	2014 £
Corob Retail Investments Limited - Balance Sheet		
Share of assets - fixed assets	7,674,625	6,749,750
Share of assets - current assets	1,122,165	1,000,416
Share of liabilities and provisions	(625,669)	(442,889)
Share of net assets	8,171,121	7,307,277

	2015 £	2014 £
Corob Mayfair Properties Limited - Balance Sheet		
Share of assets - fixed assets	10,840,000	9,541,200
Share of assets - current assets	610,867	467,274
Share of liabilities and provisions	(4,753,144)	(4,745,822)
Share of net assets	6,697,723	5,262,652

	2015 £	2014 £
Corob Central Properties Limited - Balance Sheet		
Share of assets - fixed assets	23,072,478	21,607,234
Share of assets - current assets	157,395	200,927
Share of liabilities and provisions	(15,286,017)	(15,415,804)
Share of net assets	7,943,856	6,392,357

Notes to the Financial Statements

For the Year Ended 31 December 2015

	2015 £	2014 £
Corob Noho Properties Limited - Balance Sheet		
Share of assets - fixed assets	1,390,000	1,160,000
Share of assets - current assets	24,151	7,262
Share of liabilities and provisions	(1,204,059)	(1,168,306)
Share of net assets/(liabilities)	210,092	(1,044)

Redress Solutions plc - Balance Sheet

	2015 £	2014 £
Share of assets - fixed assets	4,174	-
Share of assets - current liabilities	(53,763)	-
Share of liabilities and provisions	-	-
Share of net liabilities	(49,589)	-

Notes to the Financial Statements

For the Year Ended 31 December 2015

17. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Subsidiaries - held directly

Name	Country of incorporation	Class of shares	Holding	Description
Corob Holdings Limited	UK	Ordinary	100 %	Property investment
Charterhouse Square Finance Company Limited	UK	Ordinary	100 %	Property and securities trading management

Group subsidiary undertakings - held indirectly

Name	Country of incorporation	Class of shares	Holding	Description
Chanley Property Investments Limited	UK	Ordinary	100 %	Property investment
Charterhouse Square Nominees Limited	UK	Ordinary	100 %	Management services
District & Provincial Investment Company Limited	UK	Ordinary	100 %	Property investment
Foalward Limited	UK	Ordinary	100 %	Property investment
Monitor Property Investments Limited	UK	Ordinary	100 %	Property investment
P.I. (1956) Limited	UK	Ordinary	100 %	Property investment
Pudding Lane Investments Limited	UK	Ordinary	100 %	Property investment
Ravendale Properties Limited	UK	Ordinary	100 %	Property investment
Corob International Limited	UK	Ordinary	100 %	Property investment
Corob Florida Limited	USA	Ordinary	100 %	Property investment

18. Stocks

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Property	381,593	381,593	-	-
	<u>381,593</u>	<u>381,593</u>	<u>-</u>	<u>-</u>

Stock consists of a property that is based in London which is held for trading.

Notes to the Financial Statements

For the Year Ended 31 December 2015

19. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Other debtors (including amounts owed by associates) (note 28)	47,325,576	48,275,412	-	-
Prepayments and accrued income	341,148	92,549	-	-
	<u>47,666,724</u>	<u>48,367,961</u>	<u>-</u>	<u>-</u>

20. Current asset investments

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Market value of investments	1,230,019	937,962	-	-
	<u>1,230,019</u>	<u>937,962</u>	<u>-</u>	<u>-</u>

The movement in the fair value of investments is analysed below:

	2015 £	2014 £
As at 1 January	937,962	879,174
Additions	80,377	94,891
Disposals	(48,693)	(66,314)
Fair value adjustments	260,373	30,211
	<u>1,230,019</u>	<u>937,962</u>

The fair value of investments at 31 December 2015 is £1,230,019 (2014: £937,962).

A gain of £6,031 (2014: £689 loss) has been realised on disposals during the year.

The historical cost value of the investments is £858,661 (2014: £817,304).

21. Cash and cash equivalents

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	1,516,316	1,674,980	19	19
	<u>1,516,316</u>	<u>1,674,980</u>	<u>19</u>	<u>19</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

22. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Amounts owed to group undertakings	-	-	1,803,641	1,803,641
Other taxation and social security	417,601	422,898	-	-
Other creditors	33,004,040	32,618,914	-	-
Accruals and deferred income	392,870	319,760	-	-
	<u>33,814,511</u>	<u>33,361,572</u>	<u>1,803,641</u>	<u>1,803,641</u>

Included within other creditors, are loans received from directors and related parties totalling £19,817,737 (2014: £20,037,301). These balances are repayable on demand. During 2015 and 2014 interest was charged on these balances at a rate of 2.5% above the National Westminster Bank plc base rate.

23. Creditors: Amounts falling due after more than one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank loan	20,000,000	20,000,000	-	-
Interest rate swap	266,459	262,775	-	-
	<u>20,266,459</u>	<u>20,262,775</u>	<u>-</u>	<u>-</u>

Corob Holdings Limited has a loan facility with National Westminster Bank plc for £20,000,000. The amount drawn down at 31 December 2015 was £20,000,000 (2014: £20,000,000). This loan is repayable on the 31 January 2019.

Security is held over the Group's investment property in respect of the bank loan from National Westminster Bank plc.

The group has purchased interest rate swaps to manage interest rate risk volatility. The estimate of the fair value of derivatives held as at the statement of financial position date was a liability of £266,459 (2014: £262,775). This amount has been included in the company's balance sheet in line with its accounting policy.

Notes to the Financial Statements

For the Year Ended 31 December 2015

24. Financial instruments

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,230,019	937,962	-	-
Financial assets that are debt instruments measured at amortised cost	47,325,576	48,275,412	-	-
Financial liabilities				
Financial liabilities measured at amortised cost	(53,004,040)	(52,618,914)	(1,803,641)	(1,803,641)
Financial liabilities measured at fair value through profit or loss	(266,459)	(262,775)	-	-
	<u>(53,270,499)</u>	<u>(52,881,689)</u>	<u>(1,803,641)</u>	<u>(1,803,641)</u>

The financial assets measured at fair value through profit or loss are the current asset investments (note 20). The fair value gain recognised in the current year was £260,373 (2014: £30,211).

The financial liabilities measured at fair value through profit or loss is the interest rate swap (note 23). The fair value loss in the current year was £3,684 (2014: £262,775).

25. Deferred taxation**Group**

	Deferred tax £
At 1 January 2015	(240,107)
Charged to the profit or loss	(48,369)
At 31 December 2015	<u>(288,476)</u>

	Group 2015 £	Group 2014 £
Accelerated capital allowances	(4,901)	(6,849)
Other timing differences	42,570	14,835
Capital gains	(326,145)	(248,093)
	<u>(288,476)</u>	<u>(240,107)</u>

The group has an unrecognised deferred tax asset in respect of tax losses and other timing differences amounting to £841,924 (2014: £1,233,829).

Notes to the Financial Statements

For the Year Ended 31 December 2015

26. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
5,000,000 (2014 - 5,000,000) Class A shares of £0.90 each	4,500,000	4,500,000
5,000,000 (2014 - 5,000,000) Class B shares of £0.10 each	500,000	500,000
	<u>5,000,000</u>	<u>5,000,000</u>

The Class A Shares have full voting rights at all General Meetings of the Company. Class B are restricted to only matters directly affecting their rights. Both are fully set out in the Memorandum and Articles of Association

27. Reserves

Investment property revaluation reserve

The investment property revaluation reserve represents the cumulative unrealised valuation movement on investment properties which is transferred from the profit and loss account.

Other reserves

Other reserves represents the net surplus arising from realised capital profits which, under the company's Articles of Association, is not distributable.

Profit & loss account

Includes all current and prior period retained and realised profits and losses.

Notes to the Financial Statements

For the Year Ended 31 December 2015

28. Related party transactions

Transactions with directors

Mrs E. Corob, a director, loaned monies to a subsidiary undertaking at an interest rate equivalent to 2.5% above the National Westminster Bank plc base rate. Amounts have also been lent on the same terms by Ms T A Corob, Ms L E Corob, Ms A L Corob, F Cook, Leas Nominees Limited (in trust) and Bayle Nominees Limited (in trust) all directors or related companies, to two subsidiary companies.

The balances outstanding at the beginning and end of the year, together with interest payable during the year, were as follows:

	2015 £	2014 £
Balances outstanding		
Mrs E Corob	2,484,362	2,741,426
Mr T A Corob	4,375,307	4,337,807
Ms LE Corob	4,887,390	4,887,390
Ms AL Corob	7,695,678	7,695,678
F Cook	375,000	375,000
	<u>2015</u> £	<u>2014</u> £
Interest payable		
Mrs E Corob	77,130	132,965
Mr T A Corob	131,259	122,899
Ms LE Corob	136,621	144,904
Ms AL Corob	230,870	225,310
F Cook	11,250	11,250
	<u>2015</u> £	<u>2014</u> £

No interest remained unpaid at the current or previous year end.

A subsidiary undertaking has also loaned monies to S.J. Wiseman, a director of that subsidiary, amounting to £104,095 (2014: £nil). No interest is being charged on the loan.

Notes to the Financial Statements

For the Year Ended 31 December 2015

Lexington House Property Company Limited

A subsidiary undertaking has loaned monies to Lexington House Property Company Limited, a company in which Mr S J Wiseman, Ms T A Corob, Ms L E Corob and Ms A L Corob, all directors of group companies, have a beneficial interest. Interest was charged at a rate equivalent to 2.5% above the National Westminster Bank plc base rate.

The balance outstanding with Lexington House Property Company Limited, and the interest receivable during the year, were as follows:

	2015 £	2014 £
Balance due from a related party (included within debtors)	1,168,821	1,242,821
Interest receivable	35,865	37,825
	<u>1,204,686</u>	<u>1,280,646</u>

Corob Mayfair Properties Limited

A subsidiary undertaking has advanced monies to a related undertaking, Corob Mayfair Properties Limited, an associated company that also has certain directors in common with the group or its subsidiaries. Interest was charged at a rate equivalent to 2.5% above the National Westminster Bank plc base rate.

Management fees were receivable for the management and letting of properties held by Corob Mayfair Properties Limited.

The balance outstanding, the interest receivable and the management fees received with Corob Mayfair Properties were as follows:

	2015 £	2014 £
Balance due from a related party (included within debtors)	8,028,506	8,390,196
Interest receivable	251,532	245,694
Management fees receivable	111,360	83,397
	<u>8,391,400</u>	<u>8,719,287</u>

National Westminster Bank plc hold a charge against Corob Mayfair Properties Limited's freehold property in support of the loan facility granted to Corob Holdings Limited. The balance outstanding on the loan as at 31 December 2015 was £20,000,000 (2014 : £20,000,000).

Notes to the Financial Statements

For the Year Ended 31 December 2015

Corob Central Properties Limited

A subsidiary undertaking has advanced monies to a related undertaking, Corob Central Properties Limited, an associated company that also has certain directors in common with the group or its subsidiaries. Interest is receivable at a rate equivalent to 2.5% above the National Westminster Bank plc base rate.

Management fees were also receivable by another subsidiary undertaking for the management of properties held by Corob Central Properties Limited.

The balance outstanding with Corob Central Properties Limited, the interest receivable and management fees receivable during the year, were as follows:

	2015 £	2014 £
Balance due from a related party (included within debtors)	34,273,290	34,698,502
Management fees receivable	202,200	173,307
Interest receivable	1,031,198	998,424

National Westminster Bank plc hold a charge against Corob Mayfair Properties Limited's freehold property in support of the loan facility granted to Corob Holdings Limited. The balance outstanding on the loan as at 31 December 2015 was £20,000,000 (2014 : £20,000,000).

Corob Noho Properties Limited

A subsidiary undertaking has advanced monies to a related undertaking, Corob Noho Properties Limited, an associated company that also has certain directors in common with the group or its subsidiaries. Interest is receivable at a rate equivalent to 2.5% above the National Westminster Bank plc base rate.

The balance outstanding with Corob Noho Properties Limited, the interest receivable during the year, were as follows:

	2015 £	2014 £
Balance due from a related party (included within debtors)	2,886,560	2,908,583
Interest receivable	86,508	86,491

Redress Solutions Plc

A subsidiary undertaking has advanced monies to a related undertaking, Redress Solutions Plc, an associated company that also has certain directors in common with the group or its subsidiaries.

During the year, the group increased this loan to the company by a further £535,634 in the year into the company, to bring the total invested to £1,027,044 (2015: £491,410). The loan is interest free and repayable on demand.

The group has taken advantage of exemptions available under Financial Reporting Standard 102 and as not disclosed transactions with group undertakings.

Notes to the Financial Statements

For the Year Ended 31 December 2015

29. Pension commitments

The Group operates a Defined Benefit Pension Scheme.

The company operates a defined benefit pension scheme, which is based on final salary. The assets of the scheme are held apart from those of the undertaking in a separately administered fund.

The pension cost and provision for the year ended 31 December 2015 are based on FRS102 calculations provided by FarrSight Solutions Limited.

The scheme is now closed to new members and the age profile of the active members is rising and under the projected unit method the current service costs will increase as the members of the scheme reach retirement.

The directors have decided that the company will make annual contributions of at least the minimum funding requirement certified by the scheme's actuary.

Reconciliation of present value of plan liabilities:

	2015 £	2014 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	3,908,000	3,394,000
Current service cost	42,000	45,000
Interest cost	135,000	151,000
Actuarial (gains) / losses	(165,000)	422,000
Benefits paid	(98,000)	(104,000)
At the end of the year	3,822,000	3,908,000
	2015 £	2014 £
At the beginning of the year	2,828,000	2,716,000
Interest income	101,000	124,000
Scheme expenses	(29,000)	(16,000)
Actuarial losses	(51,000)	(99,000)
Contributions by employer	219,000	207,000
Benefits paid	(98,000)	(104,000)
At the end of the year	2,970,000	2,828,000

Notes to the Financial Statements

For the Year Ended 31 December 2015

29. Pension commitments (continued)

Composition of plan assets:

	2015 £	2014 £
Fixed interest	162,000	166,000
Equities and managed funds	525,000	464,000
Cash	2,283,000	2,198,000
Total plan assets	2,970,000	2,828,000

	2015 £	2014 £
Fair value of plan assets	2,970,000	2,828,000
Present value of plan liabilities	(3,822,000)	(3,908,000)
Related deferred tax asset	170,400	248,170
Net pension scheme liability	(681,600)	(831,830)

The amounts recognised in profit or loss are as follows:

	2015 £	2014 £
Current service cost	(71,000)	(45,000)
Interest on obligation	(34,000)	(44,000)
Total	(105,000)	(89,000)

Reconciliation of scheme obligations were as follow:

	2015 £	2014 £
Opening defined benefit obligation	(1,080,000)	(678,000)
Current service cost	(42,000)	(45,000)
Scheme expenses	(29,000)	(16,000)
Contributions by scheme participants	219,000	207,000
Interest cost	(34,000)	(27,000)
Actuarial gains / (losses)	114,000	(521,000)
Closing defined benefit obligation	(852,000)	(1,080,000)

Notes to the Financial Statements

For the Year Ended 31 December 2015

29. Pension commitments (continued)

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £114,000 gain (2014 - £521,000 loss).

The Group expects to contribute £219,000 to its Defined Benefit Pension Scheme in 2016.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2015	2014
Discount rate	3.7% pa	3.5% pa
Statutory price inflation	2.5% pa	2.5% pa
Mortality rates		
- for a male aged 65 now	22.3	21.5
- future male pensioners at 65	24.0	23.8
- for a female aged 65 now	24.4	24.1
- future female pensioners at 65	26.2	26.4

30. Controlling party

The company does not have a controlling party.

Notes to the Financial Statements

For the Year Ended 31 December 2015

31. Transition to FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2014

	Note	Group £
Equity at 1 January 2014 under previous UK GAAP		46,058,418
1. Deferred tax adjustment		(169,915)
5. Current asset investments		206,805
7. Investment in associates		(1,937,676)
Equity shareholders funds at 1 January 2014 under FRS 102		44,157,632

Reconciliation of equity at 31 December 2014

	Note	Group £
Equity at 31 December 2014 under previous UK GAAP		48,770,772
1. Deferred tax adjustment		(240,107)
3. Lease incentives		9,337
4. Valuation of interest rate swap		(262,775)
5. Current asset investments		179,261
7. Investment in associates		(2,370,314)
Equity shareholders funds at 31 December 2014 under FRS 102		46,086,174

Reconciliation of profit and loss account for the year ended 31 December 2014

	Group £
Loss/profit for the year under UK GAAP	(259,799)
1. Deferred tax adjustment	(70,026)
2. Reclassification of investment property revaluation	822,000
3. Lease incentives	9,337
4. Valuation of interest rate swap	(262,775)
5. Current asset investments	(27,544)
6. Defined benefit pension scheme adjustment	69,000
7. Investment in associates	2,129,696
Profit for the year ended 31 December 2014 under FRS 102	2,409,889

Notes to the Financial Statements

For the Year Ended 31 December 2015

31. Transition to FRS 102 (continued)

Other Comprehensive Income for the year ended 31 December 2014 was £2,978,981 under previous UK GAAP. Following the reclassification of the investment property (£822,000), the defined benefit pension adjustment (£69,000) and an adjustment to reclassify the investment property gains in associates (£2,569,328), the restated balance under FRS 102 amounted to £481,347.

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

1 Deferred tax

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Consequently deferred tax has been recognised on all fair value re-measurements.

2 Investment property

Under FRS 102, changes in the fair value of investment properties are recorded in the profit and loss account. Under previous UK GAAP these changes were recorded in the Statement of Total Recognised Gains and Losses. Management have subsequently transferred the movement to the revaluation reserve through the SOCIE in order to maintain a record.

3 Lease incentives

Under FRS 102, lease incentives are spread over the entire life of the lease. Under previous UK GAAP lease incentives were spread up to the break date in the lease.

4 Interest rate swap

Under FRS 102, all non basic financial instruments are recognised on the balance sheet and measured at fair value through the profit and loss account. Under previous UK GAAP these were not recognised on the balance sheet and were instead disclosed in the notes.

5 Current asset investments

Under FRS 102, investments are held at market value with any movements to go through the profit and loss account. Under old UK GAAP the investments were being treated as stock and being accounted for at the lower of cost and net realisable value. The adjustments included above are to uplift the valuation of the current asset investments to their fair value.

6 Defined benefit pension scheme

Under FRS102 there is a presentation change whereby net interest on the net defined benefit pension liability is presented in the income statement using the liability discount rate. Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected return discount rate. This has no impact on shareholder's equity on transition but affects the allocation of interest between the income statement and other comprehensive income.

7 Investments in associates

The Group has a number of investments in associate companies whose principal activity is that of property development. These companies have also adopted FRS 102 in the current year and have been impacted by the deferred tax, investment property and lease incentive adjustments. This has resulted in a change in the Group's share of their net assets and profit for the year.