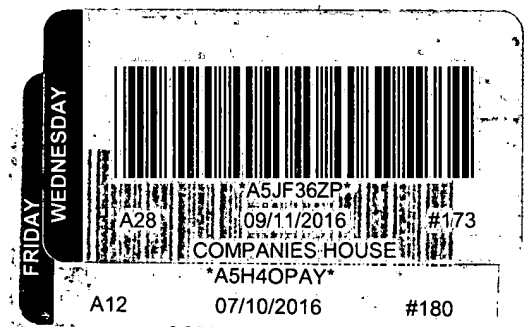


Tustin Developments Limited
Unaudited Financial Statements
31 May 2016



BEEVER AND STRUTHERS

Chartered accountant
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

Tustin Developments Limited

Financial Statements

Year Ended 31 May 2016

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Tustin Developments Limited

Officers and Professional Advisers

The Board of Directors

Mr G H Ghiassi
Mrs S M Ghiassi
Mr J A Roberts
Mrs Z K Dye
Mrs S L Ghiassi Kennedy
Mr A Ghiassi

Company Secretary

Mr J A Roberts

Registered Office

Red Scar Business Park
Longridge Road
Preston
PR2 5NE

Accountants

Beever and Struthers
Chartered accountant
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

Tustin Developments Limited

Statement of Financial Position

31 May 2016

	Note	2016 £	2015 (restated) £
Fixed assets			
Tangible assets	6	52,726,433	50,797,574
Current assets			
Stocks	7	181,337	181,337
Debtors	8	383,218	371,598
		<u>564,555</u>	<u>552,935</u>
Creditors: Amounts Falling due Within One Year	9	<u>(2,928,696)</u>	<u>(1,949,727)</u>
Net current liabilities		<u>(2,364,141)</u>	<u>(1,396,792)</u>
Total assets less current liabilities		<u>50,362,292</u>	<u>49,400,782</u>
Creditors: Amounts Falling due after More than One Year	10	<u>(14,103,600)</u>	<u>(14,137,200)</u>
Provisions			
Taxation including deferred tax	11	<u>(3,411,816)</u>	<u>(3,576,233)</u>
Net assets		<u><u>32,846,876</u></u>	<u><u>31,687,349</u></u>
Capital and reserves			
Called up share capital		24,002	24,002
Capital redemption reserve		13,200	13,200
Profit and loss account			
Fair value reserve		20,022,110	20,009,084
Distributable reserve		12,787,564	11,641,063
Shareholders funds		<u><u>32,846,876</u></u>	<u><u>31,687,349</u></u>

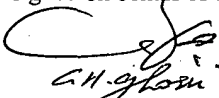
For the period ending 31 May 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The shareholders have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities. In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 30/9/16, and are signed on behalf of the board by:


Mr G H Ghiassi
Director

Company registration number: 01894292

The notes on pages 3 to 11 form part of these financial statements.

Tustin Developments Limited

Notes to the Financial Statements

Year Ended 31 May 2016

1. Company Information

Tustin Developments Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act, registration number 01894292. The address of the registered office is Red Scar Business Park, Longridge Road, Preston PR2 5NE. The nature of the company's operations and its principal activities are that of the construction of commercial and residential buildings and the management and servicing of an industrial complex, a car park and other commercial properties.

2. Statement of Compliance

These financial statements have been prepared in accordance with the provision of FRS 102 Section 1A - Small Entities. There were no material departures from that standard.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102 Section 1a - Small Entities

The entity transitioned from previous UK GAAP to FRS 102 as at 1 June 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the opinion of the directors there are no critical accounting judgements and key sources of estimation uncertainty that require further disclosure.

Revenue Recognition

Turnover represents the amounts due for the year resulting from the management of an industrial estate and a car park and the letting of properties, net of vat.

Rentals are recognised in turnover over the life of the lease.

Tustin Developments Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 May 2016

3. Accounting Policies *(continued)*

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are 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. Deferred tax is measured 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.

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss. Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	20% straight line
Fixtures, fittings and equipment	-	25% straight line
Motor Vehicles	-	20% straight line

Tustin Developments Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 May 2016

3. Accounting Policies *(continued)*

Depreciation *(continued)*

Freehold property of £233,369 is not depreciated. No depreciation is charged on the company's freehold properties as the directors consider that the life of the properties and their residual values are such that depreciation is immaterial.

Investment Property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

WIP is valued at the lower of cost and net realisable value, after making allowances for any stock provision necessary.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Tustin Developments Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 May 2016

3. Accounting Policies *(continued)*

Defined Contribution Plans

The company operates a defined benefit pension scheme for the benefit of staff, and a self administered pension scheme on behalf of the directors. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

The company also contributes to personal pension plans on behalf of certain staff, these contributions are charged to the profit and loss accounts as they become payable.

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 of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Staff Numbers

During the year the average number of employees was 20 (2015: 19).

Tustin Developments Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 May 2016

5. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016	2015
		<i>(restated)</i>
	£	£
Dividends on equity shares	<u>619,000</u>	<u>469,929</u>

6. Tangible Assets

	Land and buildings £	Assets in the course of construction £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
At 1 June 2015 <i>(as restated)</i>	49,520,135	1,195,545	155,434	75,113	30,240	50,976,467
Additions	1,130,337	1,050,142	—	770	12,750	2,193,999
Disposals	(240,346)	—	(5,274)	—	(9,950)	(255,570)
Transfers	1,261,317	(1,261,317)	—	—	—	—
At 31 May 2016	<u>51,671,443</u>	<u>984,370</u>	<u>150,160</u>	<u>75,883</u>	<u>33,040</u>	<u>52,914,896</u>
Depreciation						
At 1 June 2015 <i>(as restated)</i>	—	—	85,617	71,755	21,521	178,893
Charge for the year	—	—	17,422	2,889	4,484	24,795
Disposals	—	—	(5,275)	—	(9,950)	(15,225)
At 31 May 2016	<u>—</u>	<u>—</u>	<u>97,764</u>	<u>74,644</u>	<u>16,055</u>	<u>188,463</u>
Carrying amount						
At 31 May 2016	<u>51,671,443</u>	<u>984,370</u>	<u>52,396</u>	<u>1,239</u>	<u>16,985</u>	<u>52,726,433</u>
At 31 May 2015 <i>(as restated)</i>	49,520,135	1,195,545	69,817	3,358	8,719	50,797,574

Included within land and buildings is leasehold property of £4,500,000.

Included within the above is investment property as follows:

	£
At 1 June 2015	50,482,306
Additions	2,180,479
Disposals	(240,346)
At 31 May 2016	<u>52,422,439</u>

The company's investment properties were valued on an open market basis at 31 May 2016. Red Scar Business Park has been re-valued at a market value of £34,400,000 by Jones Lang LaSalle in accordance with the RICS Valuation - Professional Standards. The directors believe this is a reasonable valuation at transition date and as such have adopted an adjusted valuation on transition to FRS 102 Section 1A - Small Entities taking account of the subsequent additions and disposals.

The directors have considered the fair value of the remaining investment properties and are of the opinion that the fair value has not materially changed.

Tustin Developments Limited

Notes to the Financial Statements *(continued)*

6. Tangible Assets *(continued)*

Tangible assets held at valuation

In respect of tangible assets held at valuation, the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Land and buildings £
At 31 May 2016	<u>29,143,328</u>
At 31 May 2015	<u>27,436,565</u>

7. Stocks

	2016	2015 (restated)
	£	£
Work in progress	<u>181,337</u>	<u>181,337</u>

8. Debtors

	2016	2015 (restated)
	£	£
Trade debtors	251,566	246,524
Prepayments and accrued income	111,380	104,802
Other debtors	<u>20,272</u>	<u>20,272</u>
	<u>383,218</u>	<u>371,598</u>

9. Creditors: Amounts Falling due Within One Year

	2016	2015 (restated)
	£	£
Bank loans and overdrafts	1,556,969	510,194
Trade creditors	625,914	626,569
Accruals and deferred income	250,745	264,368
Corporation tax	150,624	192,971
Social security and other taxes	109,861	155,193
Other creditors	<u>234,583</u>	<u>200,432</u>
	<u>2,928,696</u>	<u>1,949,727</u>

See note 10 for details of security given on the company assets.

Tustin Developments Limited
Notes to the Financial Statements *(continued)*
Year Ended 31 May 2016

10. Creditors: Amounts Falling due after More than One Year

	2016	2015 <i>(restated)</i>
	£	£
Bank loans and overdrafts	14,000,000	14,000,000
Other creditors	103,600	137,200
	<u>14,103,600</u>	<u>14,137,200</u>

The bank holds a first legal charge over Red Scar Industrial estate and its associated assets and by way of legal mortgage the property known as Petros House, St Andrew's Road, Lytham St Annes. The other creditor represents a loan from Tustin Developments Limited Directors Pension Scheme, the loan is repayable at £33,600 per annum and bears interest at 3% above the Bank of England base rate. The loan is due for repayment on 30 June 2020.

11. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015 <i>(restated)</i>
	£	£
Included in provisions	<u>3,411,816</u>	<u>3,576,233</u>

12. Employee Benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £47,402 (2015: £57,700).

13. Guarantees and other financial commitments

Total amount of commitments, guarantees and contingencies is £89,923 (2015:£25,133).

Tustin Developments Limited

Notes to the Financial Statements *(continued)*

14. Related Party Transactions

At the year end the company owed £137,200 (2015: £170,400) to the Tustin Developments Ltd Directors Pension Scheme. Interest of £5,343 (2015: £6,561) was charged on this loan. See Note 10 for further details of this loan.

During the year dividends of £619,000 (2015: £469,929) were paid to certain directors and trusts in which certain of the directors were trustees.

At 31 May 2016, £89,000 was owed to directors G H Ghiassi £22,000 (2015:£116,000); S M Ghiassi £57,000 (2015:£50,000) and Z Dye £10,000 (2015:£Nil). The loans are unsecured, interest free and repayable on demand.

15. Transition to FRS 102 Section 1a - Small Entities

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 June 2014.

Tustin Developments Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 May 2016

15. Transition to FRS 102 Section 1a - Small Entities *(continued)*

Reconciliation of equity

	1 June 2014			31 May 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	36,880,611	11,911,708	48,792,319	38,885,866	11,911,708	50,797,574
Current assets	1,021,004	–	1,021,004	552,935	–	552,935
Creditors: amounts falling due within one year	(1,339,980)	–	(1,339,980)	(1,949,727)	–	(1,949,727)
Net current liabilities	(318,976)	–	(318,976)	(1,396,792)	–	(1,396,792)
Total assets less current liabilities	36,561,635	11,911,708	48,473,343	37,489,074	11,911,708	49,400,782
Creditors: amounts falling due after more than one year	(14,170,800)	–	(14,170,800)	(14,137,200)	–	(14,137,200)
Provisions	(352,970)	(3,608,284)	(3,961,254)	(306,204)	(3,270,029)	(3,576,233)
Net assets	<u>22,037,865</u>	<u>8,303,424</u>	<u>30,341,289</u>	<u>23,045,670</u>	<u>8,641,679</u>	<u>31,687,349</u>
Capital and reserves	<u>22,037,865</u>	<u>8,303,424</u>	<u>30,341,289</u>	<u>23,045,670</u>	<u>8,641,679</u>	<u>31,687,349</u>

These disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the 31 May 2015 and the date of transition to FRS 102 Section 1A - Small Entities was therefore 1 June 2014.

As a consequence of the transition to FRS 102 Section 1A the company has adopted changes to its accounting policies which has been fully reflected in both the current and comparative periods presented in the financial statements.

Freehold Land and buildings amounting to £22,306,257 were re-classified as investment property. The fair value adjustment resulted in an increase in the carrying value of Red Scar Business Park of £11,911,708. Further details of the valuation used are shown in note 6.

As a consequence of this change in accounting policy deferred tax of £3,608,284 has been recognised on the fair value adjustments recognised in the financial statements.