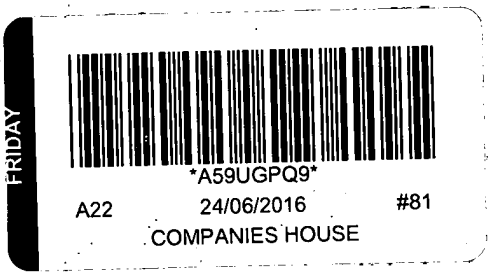
Company Registration No. 2214890 (England and Wales)

CROSSPOINT HOUSE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



CROSSPOINT HOUSE LIMITED

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Registered Office
86 Bondway London SW8 1SF

CROSSPOINT HOUSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

The Directors' Report has been prepared in accordance with the special provision relating to small companies under section 415a of the Companies Act 2006.

The Company has also taken advantage of the small companies' exemption from preparing a Strategic Report.

Principal activities

The principal activity of the Company continued to be that of investment in commercial property.

Results and dividends

The results for the year are set out on page 6.

The Directors do not recommend payment of an ordinary dividend (2014: £1,000,000).

Directors

The Directors, who served throughout the year, were as follows:

Mr E H Klotz
Mr A G P Millet
Mr F J Widlund
Mr S L Wigzell
Mr J H Whiteley

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the Directors who held office in 2015.

Auditors

In accordance with the Company's articles, a resolution proposing that Deloitte LLP be reappointed as auditors of the Company will be put at a General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and 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), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of affairs of the Company and of the income statement 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 judgements 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.

Statement of disclosure to auditors
Each Director in office at the date of approval of this annual report confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Principal risks and uncertainties
The Directors consider there are a number of potential risks and uncertainties which could have a material impact on the Company's performance and could cause the actual results to differ materially from expected and historical results. Management and mitigation of these risks is the responsibility of the Directors of the Company. The principal risks and uncertainties facing the Company are broadly grouped as property investment risk, political and economic risk and credit risk.

Property Investment Risk
A cyclical downturn in the property market, changes in the supply of space and/or occupier demand or overall poor asset management could have a negative impact on the cash flows, profitability and overall net asset value of the Company. To mitigate this risk, senior management has detailed knowledge of the market to which the Company operates through years of experience within the industry. Furthermore the Company has property managers who actively monitor the performance of the investment properties on a daily basis and report to management on a weekly basis.

Funding Risk
An adverse interest rate movement or breach in borrowing covenants may have a detrimental effect on the ability of the Company to meet its financial obligations. In order to mitigate this risk, the Group's treasury function closely monitors the performance of the Company on a daily basis and looks to limit its exposure through various financial hedging instruments.

Political and Economic Risk
The potential exit of the United Kingdom from the European Union remains an adverse risk to the overall economy, which may impact net asset values and profitability. It is the Directors' view that the United Kingdom's economy remains sufficiently robust to weather any immediate adverse economic effects should this event occur.

Credit risk
This is the risk that our tenants fail to meet their financial obligations which would have an adverse effect on the Company's cash flows. The Company's policies are aimed at minimising such losses, and require that terms are only granted to tenants who demonstrate an appropriate payment history and credit worthiness.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the Group's annual report which does not form part of this report and can be found on www.clsholdings.com.

Going concern
After making enquiries, based on the assumptions, sensitivities and uncertainties outlined above, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future despite the net current liability position as at 31 December 2015. Furthermore, at the Balance Sheet date, the Company has net assets which are expected to generate positive cash flows in addition to the ability to seek alternate funding from within the Group of the Parent Company. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

By order of the board

D F Fuller
Secretary
22 June 2016

CROSSPOINT HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CROSSPOINT HOUSE LIMITED

We have audited the financial statements of Crosspoint House Limited for the year ended 31 December 2015 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 annual 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CROSSPOINT HOUSE 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, 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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report; or
- we have not received all the information and explanations we require for our audit.

Mark Beddy FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
22 June 2016

CROSSPOINT HOUSE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 (restated) £
Revenue	2	592,405	502,488
Service charge expenditure		(108,245)	(148,239)
Net rental income		484,160	354,249
Administrative expenses		(85,128)	(106,693)
Operating profit		399,032	247,556
Investment income		28	-
Interest payable	5	(58,943)	(49,390)
Net movement on revaluation of investment property	8	225,330	2,033,807
Profit on ordinary activities before taxation		565,447	2,231,973
Tax on profit on ordinary activities	6	(79,119)	(418,503)
Profit for the financial year		486,328	1,813,470

The income statement has been prepared on the basis that all operations are continuing operations.

There were no items of other comprehensive income other than those stated above for either period and consequently no statement of other comprehensive income is presented.

The notes on pages 9 to 18 form part of these financial statements

CROSSPOINT HOUSE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 (restated) £
Fixed assets			
Investment property	8	4,600,000	4,300,000
Current assets			
Trade and other receivables	9	177,659	192,055
Cash at bank and in hand		13,117	12,089
		190,776	204,144
Current liabilities			
Trade and other payables	10	(226,606)	(165,332)
Corporation tax payable		(66,457)	(90,089)
		(293,063)	(255,421)
Net current liabilities		(102,287)	(51,277)
Non-current liabilities			
Trade and other payables	10	(1,709,509)	(1,959,509)
Deferred tax liabilities	11	(392,981)	(380,319)
		(2,102,490)	(2,339,828)
Net assets		2,395,223	1,908,895
Equity			
Called up share capital	12	1	1
Retained earnings		2,395,222	1,908,894
Total equity		2,395,223	1,908,895

The financial statements were approved by the Board of Directors and authorised for issue on 22 June 2016
Signed on its behalf by:

Mr J H Whiteley
Director

Company Registration No. 2214890

CROSSPOINT HOUSE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2014 (adjusted for transition to FRS 101)	1	1,095,425	1,095,426
Profit for the year	-	1,813,470	1,813,470
Dividends	-	(1,000,000)	(1,000,000)
Balance at 31 December 2014 (restated)	1	1,908,894	1,908,895
Profit for the year	-	486,328	486,328
Balance at 31 December 2015	1	2,395,222	2,395,223

1 Accounting policies

1.1 Accounting convention

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. In the year ended 31 December 2015 the Company has changed its accounting framework to FRS 101 as issued by the Financial Reporting Council and in doing so, has applied the requirements of IFRS 1.6-33 and related appendices. These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements have been restated for material adjustments on adoption of FRS 101 in the current year, which is shown in note 15 to the financial statements.

The financial statements have been prepared on the historical cost basis except for the revaluation of investment properties. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the Group accounts of the ultimate parent company, the Group accounts of which are available to the public and can be obtained as set out in note 14.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future despite the net current liability position at 31 December 2015. Furthermore, at the Balance Sheet date, the Company has net assets which are expected to generate positive cash flows in addition to the ability to seek alternate funding from within the Group of the Parent Company. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue comprises the total value of rents from operating leases and is recognised on a straight-line basis over the lease term. The cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Rents received in advance are shown as deferred income.

Service charge income

Service charge income is recognised on a gross basis in the accounting period in which the services are rendered.

1 Accounting policies **(Continued)**

1.4 Investment properties

Investment properties are those properties held for long-term rental yields or for capital appreciation or both. Investment properties are measured initially at cost, including related transaction costs. Additions to investment properties comprise costs of a capital nature; in the case of investment properties under development, these include capitalised interest and certain staff costs directly attributable to the management of the development. Capitalised interest is calculated at the rate on associated borrowings applied to direct expenditure between the date of gaining planning consent and the date of practical completion. The acquisition of an investment property is recognised when the risks and rewards of ownership have been transferred to the Company, typically on unconditional exchange of contracts or when legal title passes. Investment properties are carried at fair value, based on market value as determined by professional external valuers at the balance sheet date. Changes in fair values are recognised in profit before tax.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.5 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the Company from the adoption of IFRS 13.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.7 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial asset and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as Fair Value Through Profit and Loss, which are measured at fair value.

Receivables

Trade and other receivables are recognised initially at fair value. An impairment provision is created where there is objective evidence that the Company will not be able to collect the receivable in full.

Impairment of financial assets

Financial assets, other than those at Fair Value Through Profit and Loss, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1 Accounting policies **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.8 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Trade and other payables are stated at cost, which equates to fair value.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's obligations are discharged or cancelled, or when they expire.

1.9 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, and is calculated using rates that are expected to apply in the period when the liability is settled or the asset is realised, in the tax jurisdiction in which the temporary differences arise. Deferred tax is charged or credited in arriving at profit after tax, except when it relates to items recognised in other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be used. The deferred tax assets and liabilities are only offset if they relate to income taxes levied by the same taxation authority, there is a legally enforceable right of set-off and the Company intends to settle its current tax assets and liabilities on a net basis.

2 Revenue

An analysis of the Company's revenue is as follows:

	2015 £	2014 £
Rental income	329,721	299,388
Service charge expenditure recoverable	256,337	180,603
Other income	6,347	22,497
	592,405	502,488

Geographical market

Revenue arose wholly within the United Kingdom.

3 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2015 £	2014 £
Fees payable to the Company's auditors for the audit of the Company's annual accounts	4,000	4,000

No fees were payable to Deloitte LLP and its associates for non-audit services to the Company during the current or preceding year.

4 Employees

The Company did not have any employees in the current or preceding year.

No fees or other emoluments were paid to the Directors of the Company during either the current or preceding year in respect of their service to the Company. The Directors are paid by another entity within the ultimate parent company's group.

5 Interest payable

	2015 £	2014 £
Intercompany interest payable	58,943	49,390

6 Income tax expense

	2015	2014
	£	£
Corporation tax		
Current year	66,457	40,490
Deferred tax		
Current year	12,662	378,013
Total tax charge/(credit)	79,119	418,503

The tax charge/(credit) for the year can be reconciled to the profit on ordinary activities as follows:

	2015	2014
	£	£
Profit on ordinary activities before taxation	565,447	2,231,973
Profit on ordinary activities before taxation multiplied by weighted average rate of UK corporation tax of 20.25% (2014: 21.50%)	114,503	479,874
Taxation impact of factors affecting tax charge:		
Expenses not deductible in determining taxable profit	8,505	(30,716)
Adjustment in respect of prior years	(574)	-
Change in tax rate	(43,315)	(30,655)
Tax charge/(credit) for the year	79,119	418,503

The rate of UK corporation tax for the financial year beginning 1 April 2014 was 21%. This fell to 20% on 1 April 2015 and the weighted corporation tax rate for the year ended 2015 was therefore 20.25% (2014: 21.5%). Deferred tax has been calculated at a rate of 18% being the rate applicable from 1 April 2015 under legislation substantively enacted at the balance sheet date.

7 Dividends

	2015	2014	2015	2014
	£ per share	£ per share	£	£
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Final dividend paid	-	1,000,000.00	-	1,000,000

8 Investment property

	£
Fair value	
At 31 December 2014	4,300,000
Capital expenditure	491
Rent-free period debtor adjustment	74,179
Fair value adjustment	225,330
At 31 December 2015	4,600,000

The investment property was revalued at 31 December 2015 to its fair value. Valuations were based on current prices in an active market for all properties. The property valuations were carried out at 31 December 2015 by Cushman & Wakefield who are external, professional qualified valuers.

Property valuations are complex and require a degree of judgement and are based on data which is not publicly available. Consistent with EPRA guidance, we have classified the valuations of our property portfolio as level 3 as defined by IFRS 13. Inputs into the valuations include equivalent yields and rental income and are described as 'unobservable' as per IFRS 13. All other factors remaining constant, an increase in rental income would increase valuations, whilst an increase in equivalent nominal yield would result in a fall in value and vice versa.

The Company has pledged all of its investment property to secure general banking facilities granted to the Company.

The comparable cost of investment property determined under historical cost was £2,285,541 (2014: £2,285,050).

9 Trade and other receivables

	2015 £	2014 £
Trade receivables	5,060	80,766
Amounts due from fellow group undertakings	172,599	82,122
Prepayments	-	29,167
	177,659	192,055

10 Trade and other payables

	Current		Non-current	
	2015	2014	2015	2014
	£	£	£	£
Trade payables	346	-	-	-
Amounts due to fellow group undertakings	13,623	-	1,709,509	1,959,509
Other taxation and social security	-	7,053	-	-
Accruals	7,633	154,529	-	-
Other payables	205,004	3,750	-	-
	226,606	165,332	1,709,509	1,959,509

Creditors include a balance for £1,709,509 (2014: £1,959,509) due to a fellow group undertaking. The loan is due for repayment on 28 February 2022. Interest is charged on the loan at a rate of LIBOR plus a margin of 2.65% (2014: LIBOR plus a margin of 2.65%).

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	UK Capital Allowances	Revaluation	Total
	£	£	£
Deferred tax liability at 1 January 2014	3,631	(1,325)	2,306
Deferred tax movements in prior year			
Charge/(credit) to profit or loss	2,428	375,585	378,013
Deferred tax liability at 1 January 2015	6,059	374,260	380,319
Deferred tax movements in current year			
Charge/(credit) to profit or loss	1,024	11,638	12,662
Deferred tax liability at 31 December 2015	7,083	385,898	392,981

12 Share capital

	2015	2014
	£	£
Authorised, issued and fully paid		
1 Ordinary shares of £1 each	1	1

13 Operating leases

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2015

13 Operating leases (Continued)

	£
Within one year	300,797
Between two and five years	1,262,191
In over five years	962,118
	2,525,106

Operating leases where the Company is the lessor are typically negotiated on a customer-by-customer basis and include break clauses and indexation provisions. Rental income earned during the year was £329,721 (2014: £299,388) and direct operating expenses arising on the properties in the period was £223,245 (2014: £148,239). The lessees do not have an option to purchase the property at the expiry of the lease period.

14 Controlling party

The Directors consider that the immediate parent undertaking is Dukes Road Limited. The ultimate parent undertaking and controlling party is CLS Holdings plc, which is incorporated in Great Britain. The financial statements of the Company are consolidated into the CLS Holdings plc group accounts for the year ended 31 December 2015, being the largest and only group into which the Company is consolidated. Copies of the group financial statements are publicly available and may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London, SW8 1SF.

15. UK GAAP to FRS 101 Conversion

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements issued under a previous GAAP (UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014.

INCOME STATEMENT

Reconciliation of the Income Statement for the year ended 31 December 2014:

	Notes	UK GAAP £	Remeasurements £	FRS 101 £
Revenue		502,488		502,488
Service charge expenditure		(148,239)	-	(148,239)
Net rental income		354,249	-	354,249
Administrative expenses		(106,693)	-	(106,693)
Operating profit		247,556	-	247,556
Interest payable and similar charges		(49,390)	-	(49,390)
Net movement of revaluation of investment property	B	-	2,033,807	2,033,807
Profit/(loss) before taxation		198,166	2,033,807	2,231,973
Tax on profit/(loss) on ordinary activities	A	(42,918)	(375,585)	(418,503)
Profit/(loss) for the year		155,248	1,658,222	1,813,470

BALANCE SHEET

Reconciliation of the Balance Sheet as at 31 December 2014:

	Notes	UK GAAP £	Remeasurements £	FRS 101 £
Non-current liabilities				
Deferred tax liabilities	A	6,059	374,260	380,319
Equity				
Revaluation reserve	B	2,004,026	(2,004,026)	-
Retained earnings		279,128	1,629,766	1,908,894

15. UK GAAP to FRS 101 Conversion (Continued)

STATEMENT OF CHANGES IN EQUITY

Reconciliation of Statement of Changes in Equity for the year ended 31 December 2014:

	Notes	Share capital	Revaluation reserve	Retained earnings	Total
		£	£	£	£
Balance at 1 January 2014 (UK GAAP)		1	(29,780)	1,123,880	1,094,101
Remeasurement	B	-	29,780	(29,780)	-
Deferred taxation	A	-	-	1,325	-
Balance at 1 January 2014 (FRS 101)		1	-	1,095,425	1,095,426
Balance at 31 December 2014 (UK GAAP)		1	2,004,026	279,128	2,283,155
Remeasurement	B	-	(2,004,026)	2,004,026	-
Deferred taxation	A	-	-	(374,260)	(374,260)
Balance at 31 December 2014 (FRS 101)		1	-	1,908,894	1,908,895

Notes to the reconciliation from UK GAAP to FRS 101

A Deferred tax

The various transitional adjustments lead to different temporary differences. According to the accounting policies in note 1, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

B Net movement on revaluation of investment property

Under FRS 101, all fair value gains and losses of investment property are included in the profit and loss. Under UK GAAP, all investment property revaluation movements were included in a revaluation reserve in equity. At the transition date, the balance of the revaluation reserve was transferred to retained earnings.