

Company Registration No. 03025467 (England and Wales)

**FARLANE INVESTMENTS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**



# **FARLANE INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	M Greene J Greene
<b>Secretary</b>	M Greene
<b>Company number</b>	03025467
<b>Registered office</b>	21 Bedford Square London WC1B 3HH
<b>Accountants</b>	FSPG 21 Bedford Square London WC1B 3HH

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# **FARLANE INVESTMENTS LIMITED**

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# **FARLANE INVESTMENTS LIMITED**

## **BALANCE SHEET**

**AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Investment properties	3	6,453,167		6,446,607	
Investments	4	-		287,514	
		<u>6,453,167</u>		<u>6,734,121</u>	
<b>Current assets</b>					
Stocks		1,669,802		1,669,802	
Debtors	5	3,288		1,061	
Cash at bank and in hand		196,985		202,751	
		<u>1,870,075</u>		<u>1,873,614</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(3,773,343)</u>		<u>(3,658,083)</u>	
<b>Net current liabilities</b>			(1,903,268)		(1,784,469)
<b>Total assets less current liabilities</b>			<u>4,549,899</u>		<u>4,949,652</u>
<b>Provisions for liabilities</b>			<u>(918,195)</u>		<u>(918,195)</u>
<b>Net assets</b>			<u><u>3,631,704</u></u>		<u><u>4,031,457</u></u>
<b>Capital and reserves</b>					
Called up share capital	8		100		100
Profit and loss reserves			3,631,604		4,031,357
<b>Total equity</b>			<u><u>3,631,704</u></u>		<u><u>4,031,457</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

# **FARLANE INVESTMENTS LIMITED**

## **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2016***

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The financial statements were approved by the board of directors and authorised for issue on 14 September 2017 and are signed on its behalf by:

M Greene  
Director

J Greene  
Director

Company Registration No. 03025467

# **FARLANE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

Farlane Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 21 Bedford Square, London, WC1B 3HH.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Turnover**

Turnover represents rents receivable and proceeds from the sale of properties held for trading. Property sales are recognised on date of contract.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### **1.3 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### **1.4 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

# **FARLANE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

**(Continued)**

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.5 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.6 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Classification of financial liabilities***

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 company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.7 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.8 Taxation**

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

# **FARLANE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

**(Continued)**

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.9 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.10 Investment properties**

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 3 (2015 - 3).

# **FARLANE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **3 Investment property**

	<b>2016</b>
	<b>£</b>
<b>Fair value</b>	
At 1 January 2016	6,446,607
Additions	6,560
	<u>6,453,167</u>
At 31 December 2016	<u><u>6,453,167</u></u>

The investment property was valued by the director at the end of the year.

### **4 Fixed asset investments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Investments	-	287,514
	<u>-</u>	<u>287,514</u>

#### **Movements in fixed asset investments**

	<b>Investments other than loans</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 January 2016	287,514
Valuation changes	(287,514)
	<u>-</u>
At 31 December 2016	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2016	-
	<u>-</u>
At 31 December 2015	<u><u>287,514</u></u>

### **5 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	2,167	-
Corporation tax recoverable	504	-
Other debtors	617	1,061
	<u>3,288</u>	<u>1,061</u>
	<u><u>3,288</u></u>	<u><u>1,061</u></u>

## **FARLANE INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**6 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	2,351,344	2,350,000
Trade creditors	80,000	84,253
Corporation tax	-	752
Other taxation and social security	2,321	2,046
Other creditors	1,339,678	1,221,032
	<u>3,773,343</u>	<u>3,658,083</u>

**7 Profit and loss reserve**

Included within the profit and loss reserve is undistributable reserves of £3,672,781.

**8 Called up share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
25 Ordinary A Shares of £1 each	25	25
15 Ordinary B Shares of £1 each	15	15
60 Ordinary C Shares of £1 each	60	60
	<u>100</u>	<u>100</u>

**9 Related party transactions**

During the year the company incurred expenses of £17,950 (2015: £17,601) from other related parties.

Included within creditors in £1,271,735 (2015: £1,271,735) that is owed by other related parties.

**10 Parent company**

The company is controlled by the directors.

# FARLANE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	Notes	At 1 January 2015			At 31 December 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>							
Investment properties		6,381,296	-	6,381,296	6,446,607	-	6,446,607
Investments		785,514	-	785,514	287,514	-	287,514
		<u>7,166,810</u>	<u>-</u>	<u>7,166,810</u>	<u>6,734,121</u>	<u>-</u>	<u>6,734,121</u>
<b>Current assets</b>							
Stocks		1,669,802	-	1,669,802	1,669,802	-	1,669,802
Debtors		2,731	-	2,731	1,061	-	1,061
Bank and cash		150,998	-	150,998	202,751	-	202,751
		<u>1,823,531</u>	<u>-</u>	<u>1,823,531</u>	<u>1,873,614</u>	<u>-</u>	<u>1,873,614</u>
<b>Creditors due within one year</b>							
Loans and overdrafts		(2,759,425)	-	(2,759,425)	(2,372,826)	-	(2,372,826)
Taxation		(18,114)	-	(18,114)	(2,798)	-	(2,798)
Other creditors		(1,283,110)	-	(1,283,110)	(1,282,459)	-	(1,282,459)
Deferred income		(2,542)	-	(2,542)	-	-	-
		<u>(4,063,191)</u>	<u>-</u>	<u>(4,063,191)</u>	<u>(3,658,083)</u>	<u>-</u>	<u>(3,658,083)</u>
Net current liabilities		<u>(2,239,660)</u>	<u>-</u>	<u>(2,239,660)</u>	<u>(1,784,469)</u>	<u>-</u>	<u>(1,784,469)</u>
Total assets less current liabilities		<u>4,927,150</u>	<u>-</u>	<u>4,927,150</u>	<u>4,949,652</u>	<u>-</u>	<u>4,949,652</u>
<b>Provisions for liabilities</b>							
Deferred tax	2	-	(918,195)	(918,195)	-	(918,195)	(918,195)
Net assets		<u>4,927,150</u>	<u>(918,195)</u>	<u>4,008,955</u>	<u>4,949,652</u>	<u>(918,195)</u>	<u>4,031,457</u>
<b>Capital and reserves</b>							
Share capital		100	-	100	100	-	100
Revaluation reserve	1	4,590,976	(4,590,976)	-	4,590,976	(4,590,976)	-
Profit and loss	1	336,074	3,672,781	4,008,855	358,576	3,672,781	4,031,357
Total equity		<u>4,927,150</u>	<u>(918,195)</u>	<u>4,008,955</u>	<u>4,949,652</u>	<u>(918,195)</u>	<u>4,031,457</u>

# FARLANE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of profit for the financial period

	Notes	Year ended 31 December 2015	
		Previous UK GAAP £	Effect of transition £
			FRS 102 £
Turnover		248,882	-
Cost of sales		(52,802)	-
Gross profit		196,080	-
Administrative expenses		(81,754)	-
Interest receivable and similar income		512	-
Interest payable and similar expenses		(91,523)	-
Profit before taxation		23,315	-
Taxation		(812)	-
Profit for the financial period		22,503	-

#### Notes to reconciliations on adoption of FRS 102

##### Revaluation Reserve

1. FRS 102 requires revaluation to be shown through the profit and loss account so the revaluation reserve has been moved into the profit and loss account reserve.

##### Deferred Tax

2. FRS 102 requires deferred tax to be provided on the revaluation of the investment.

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