

VSM Properties Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2017

SBMC Business Management Ltd
Accountants
432 Gloucester Road
Horfield
Bristol
BS7 8TX

VSM Properties Ltd

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VSM Properties Ltd

Company Information

Directors Mrs V Pole
Mr M Thyer
Mr S Pole

Company secretary Mrs V Pole

Registered office 432 Gloucester Raod
Horfield
Bristol
BS7 8TX

Accountants SBMC Business Management Ltd
Accountants
432 Gloucester Road
Horfield
Bristol
BS7 8TX

**Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory
Accounts of
VSM Properties Ltd
for the Year Ended 31 May 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of VSM Properties Ltd for the year ended 31 May 2017 as set out on pages 3 to 17 from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of VSM Properties Ltd, as a body. Our work has been undertaken solely to prepare for your approval the accounts of VSM Properties Ltd and state those matters that we have agreed to state to the Board of Directors of VSM Properties Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than VSM Properties Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that VSM Properties Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of VSM Properties Ltd. You consider that VSM Properties Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of VSM Properties Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
SBMC Business Management Ltd
Accountants
432 Gloucester Road
Horfield
Bristol
BS7 8TX

2 August 2017

VSM Properties Ltd

Statement of Comprehensive Income for the Year Ended 31 May 2017

			(As restated)
	Note	2017 £	2016 £
Profit for the year		288,535	211,005
Total comprehensive income for the year		288,535	211,005

The notes on pages 7 to 17 form an integral part of these financial statements.

VSM Properties Ltd

(Registration number: 03195057)

Balance Sheet as at 31 May 2017

		2017	(As restated) 2016
	Note	£	£
Fixed assets			
Investment property	<u>4</u>	3,137,500	2,462,850
Investments	<u>5</u>	7,500	7,500
		<u>3,145,000</u>	<u>2,470,350</u>
Current assets			
Stocks	<u>6</u>	-	139,897
Debtors	<u>7</u>	17,014	21,742
Cash at bank and in hand		263,818	230,501
		<u>280,832</u>	<u>392,140</u>
Creditors: Amounts falling due within one year	<u>8</u>	(554,536)	(816,606)
Net current liabilities		<u>(273,704)</u>	<u>(424,466)</u>
Total assets less current liabilities		2,871,296	2,045,884
Creditors: Amounts falling due after more than one year	<u>8</u>	(1,348,000)	(789,778)
Provisions for liabilities		<u>(191,523)</u>	<u>(141,177)</u>
Net assets		<u>1,331,773</u>	<u>1,114,929</u>
Capital and reserves			
Called up share capital		300	300
Fair value reserve		1,046,293	770,240
Profit and loss account		<u>285,180</u>	<u>344,389</u>
Total equity		<u>1,331,773</u>	<u>1,114,929</u>

For the financial year ending 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 7 to 17 form an integral part of these financial statements.

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VSM Properties Ltd

(Registration number: 03195057)

Balance Sheet as at 31 May 2017

Approved and authorised by the Board on 2 August 2017 and signed on its behalf by:

.....

Mr M Thyer

Director

The notes on pages 7 to 17 form an integral part of these financial statements.
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VSM Properties Ltd

Statement of Changes in Equity for the Year Ended 31 May 2017

	Share capital £	Fair value reserve £	Profit and loss account £	Total £
At 1 June 2016	300	770,240	344,389	1,114,929
Profit for the year	-	-	288,535	288,535
Transfers between reserves	-	276,053	(276,053)	-
Total comprehensive income	-	276,053	12,482	288,535
Dividends	-	-	(71,691)	(71,691)
At 31 May 2017	300	1,046,293	285,180	1,331,773
	Share capital £	Fair value reserve £	Profit and loss account £	Total £
At 1 June 2015	300	679,759	289,415	969,474
Profit for the year	-	-	211,005	211,005
Transfer between reserves	-	90,481	(90,481)	-
Total comprehensive income	-	90,481	120,524	211,005
Dividends	-	-	(65,550)	(65,550)
At 31 May 2016	300	770,240	344,389	1,114,929

The notes on pages 7 to 17 form an integral part of these financial statements.

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

432 Gloucester Road

Horfield

Bristol

BS7 8TX

The principal place of business is:

The Old Brewery

Lodway

Pill

Bristol

BS20 0DH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Depreciation

Asset class

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2016 - 3).

4 Investment properties

	2017 £
At 1 June	2,462,850
Additions	22,130
Transfers to and from inventories	326,121
Fair value adjustments	326,399
	<hr/>
At 31 May	3,137,500
	<hr/>

The properties are valued at an open market valuation

The properties are valued by an independent local estate agent who has knowledge of the company's properties the every year.

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

5 Investments

	2017 £	2016 £
Investments	<u>7,500</u>	<u>7,500</u>
Associates		£
Cost		
At 1 June 2016		<u>7,500</u>
Provision		
Carrying amount		
At 31 May 2017		<u>7,500</u>
At 31 May 2016		<u>7,500</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Perspective Limited	Developments	432 Gloucester Road, Horfield, Bristol BS7 8TX. England & Wales	Ordinary	25%
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The principal activity of Perspective Developments Limited is property development

6 Stocks

	2017 £	2016 £
Work in progress	<u>-</u>	<u>139,897</u>

7 Debtors

	2017 £	2016 £
Trade debtors	15,941	18,689
Other debtors	<u>1,073</u>	<u>3,053</u>
Total current trade and other debtors	<u>17,014</u>	<u>21,742</u>

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

8 Creditors

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	10,000	184,000
Trade creditors		15,941	18,689
Taxation and social security		-	2,953
Other creditors		<u>528,595</u>	<u>610,964</u>
		<u>554,536</u>	<u>816,606</u>
Due after one year			
Loans and borrowings	<u>9</u>	<u>1,348,000</u>	<u>789,778</u>

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

9 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	<u>1,348,000</u>	<u>789,778</u>

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	<u>10,000</u>	<u>184,000</u>

Bank borrowings

3 bank loans are denominated in £ with interest rates from 2.57 to 3.33% over LIBOR , and the final instalments are due on 31 March 2022. The carrying amount at year end is £1,358,000 (2016 - £973,778).

The bank loans are secured on the company's investment properties.

10 Dividends

	2017 £	2016 £
Interim dividend of £71,691.00 (2016 - £65,550.00) per ordinary share	<u>71,691</u>	<u>65,550</u>

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

11 Related party transactions

Key management personnel

Mrs V Pole is a director and Mrs R Pole and Mrs B Thyer are the wives of the other directors

Summary of transactions with key management

The company has received a loan of £174,000 from the above as at 31st May 2017 (£150,000 as at 31st May 2016). Interest is paid at a commercial rate on the loan.

There is no security on the loan.

Summary of transactions with other related parties

Perspective Developments Limited a company which the directors own 75% of the shares.

The Company has received an interest free loan of £285,000 (2016 £300,000) to Perspective. This is interest free and repayable on demand.

Last year the company was recharged from Perspective Developments Ltd of £25,228 of wages and expenses.

Expenditure with and payables to related parties

	Other related parties £
2016	
Rendering of services	25,228

Loans from related parties

	Other related parties £
2017	
At start of period	300,000
Repaid	(15,000)
At end of period	285,000

	Other related parties £
2016	
At start of period	350,000
Repaid	(50,000)
At end of period	300,000

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

12 Financial instruments

Categorisation of financial instruments

	2017	2016
	£	£
Financial assets measured at fair value through profit or loss	3,137,500	2,462,850
Financial assets that are debt instruments measured at amortised cost	15,941	18,689
	<u>3,153,441</u>	<u>2,481,539</u>
Financial liabilities measured at amortised cost	<u>(1,853,332)</u>	<u>(1,459,567)</u>
	<u>(1,853,332)</u>	<u>(1,459,567)</u>

Financial assets measured at fair value

Investment properties

The fair value is £3,137,500 (2016 - £2,462,850) and the change in value included in profit or loss is £326,399 (2016 - £344,668).

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

13 Transition to FRS 102

Balance Sheet at 1 June 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Investment property	2,747,000	-	-	2,747,000
Investments	7,500	-	-	7,500
	<u>2,754,500</u>	<u>-</u>	<u>-</u>	<u>2,754,500</u>
Current assets				
Debtors	14,014	-	-	14,014
Cash at bank and in hand	208,813	-	-	208,813
	<u>222,827</u>	<u>-</u>	<u>-</u>	<u>222,827</u>
Creditors: Amounts falling due within one year	<u>(1,013,547)</u>	<u>-</u>	<u>-</u>	<u>(1,013,547)</u>
Net current liabilities	<u>(790,720)</u>	<u>-</u>	<u>-</u>	<u>(790,720)</u>
Total assets less current liabilities	1,963,780	-	-	1,963,780
Creditors: Amounts falling due after more than one year	(883,000)	-	-	(883,000)
Provisions for liabilities	-	-	(111,305)	(111,305)
Net assets/(liabilities)	<u>1,080,780</u>	<u>-</u>	<u>(111,305)</u>	<u>969,475</u>
Capital and reserves				
Called up share capital	300	-	-	300
Revaluation/fair value reserve	791,064	-	(111,305)	679,759
Profit and loss account	<u>289,416</u>	<u>-</u>	<u>-</u>	<u>289,416</u>
Total equity	<u>1,080,780</u>	<u>-</u>	<u>(111,305)</u>	<u>969,475</u>

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

Balance Sheet at 31 May 2016

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Investment property	2,462,850	-	-	2,462,850
Investments	7,500	-	-	7,500
	<u>2,470,350</u>	<u>-</u>	<u>-</u>	<u>2,470,350</u>
Current assets				
Stocks	139,897	-	-	139,897
Debtors	21,743	-	-	21,743
Cash at bank and in hand	230,502	-	-	230,502
	<u>392,142</u>	<u>-</u>	<u>-</u>	<u>392,142</u>
Creditors: Amounts falling due within one year	<u>(816,608)</u>	<u>-</u>	<u>-</u>	<u>(816,608)</u>
Net current liabilities	<u>(424,466)</u>	<u>-</u>	<u>-</u>	<u>(424,466)</u>
Total assets less current liabilities	2,045,884	-	-	2,045,884
Creditors: Amounts falling due after more than one year	<u>(789,778)</u>	<u>-</u>	<u>-</u>	<u>(789,778)</u>
Provisions for liabilities	<u>-</u>	<u>-</u>	<u>(141,177)</u>	<u>(141,177)</u>
Net assets/(liabilities)	<u>1,256,106</u>	<u>-</u>	<u>(141,177)</u>	<u>1,114,929</u>
Capital and reserves				
Called up share capital	300	-	-	300
Revaluation / fair value reserve	911,417	-	(141,177)	770,240
Profit and loss account	<u>344,389</u>	<u>-</u>	<u>-</u>	<u>344,389</u>
Total equity	<u>1,256,106</u>	<u>-</u>	<u>(141,177)</u>	<u>1,114,929</u>

VSM Properties Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

Profit and Loss Account for the year ended 31 May 2016

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover	149,443	-	-	149,443
Cost of sales	(10,811)	-	-	(10,811)
Gross profit	138,632	-	-	138,632
Administrative expenses	(166,292)	-	-	(166,292)
Other operating income	90	-	-	90
Operating loss	(27,570)	-	-	(27,570)
Gain on financial assets at fair value through profit and loss account	-	344,668	-	344,668
Other interest receivable and similar income	678	-	-	678
Interest payable and similar expenses	(59,265)	-	-	(59,265)
	(58,587)	344,668	-	286,081
(Loss)/profit before tax	(86,157)	344,668	-	258,511
Taxation	(17,633)	-	(29,872)	(47,505)
(Loss)/profit for the financial year	(103,790)	344,668	(29,872)	211,006

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This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.