

Company Registration No. 03364739 (England and Wales)

SANTON CAPITAL PLC AND SUBSIDIARIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017

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SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY INFORMATION

Directors B S Sandhu
R Patel (Appointed 31 August 2016)

Secretary R Patel

Senior management V. Donnelly
P Sandhu

Company number 03364739

Registered office Santon House
53/55 Uxbridge Road
Ealing
London
W5 5SA

Auditors Gerald Edelman
73 Cornhill
London
EC3V 3QQ

Bankers HSBC Bank PLC
Level 2
8 Canada Square
Canary Wharf
London
E14 5HQ

Barclays Bank PLC
Ashton house
497 Silbury Boulevard
Milton Keynes
MK29 2LD

Julius Bar
Barnofstrasse 36
P O Box CH-8010
Zurich

Investec
2 Gresham Street
London
EC2V 7QP

Bank of Scotland PLC
The Mound
Edinburgh
EH1 1YZ

SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY INFORMATION

Solicitors

Linklaters LLP
One Silk Street
London
EC2Y 8HQ

Stephoe & Johnson
99 Gresham Street
London
EC2V 7NG

SANTON CAPITAL PLC AND SUBSIDIARIES

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SANTON CAPITAL PLC AND SUBSIDIARIES

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

The directors present the strategic report for the 11 month period ended 31 March 2017.

Fair review of the business

The principal activity of the Group during period ended 31 March 2017 continued to be that of property development. The Group has a smaller property investment portfolio and private equity portfolio.

The Group's turnover increased from £39.2 million in the year ended 30 April 2016 to £133.2 million for the period under review as a result of the increase in the value of property sales. Operating profit increased from £7.3 million to £9.8 million whilst the profit before tax increased from £3.0 million to £4.6 million. The directors consider the result for the period to be satisfactory.

As at 31 March 2017 stock of property, principally commercial, decreased from £354.4 million to £223.6 million as a result of property disposals. The Group's total assets decreased from £385.4 million to £250.9 million as a result of property disposals and as a result bank debt also reduced significantly during the period.

In July, 2017 the Santon Group successfully exited a joint venture agreement on the 15 acre North Street Quarter development in Lewes which was undertaken in a joint venture with MAS Real Estate Inc.; a South African listed property fund, and Lewes District Council. Planning was achieved for 416 new homes, 40% of them affordable, 140,000 sq. ft. of flexible employment space, town flood defences, a new 330 space car park, a riverside walk and cycle way and new public squares and gardens. Our scheme offers substantial benefits for the local community and factors in the sensitive location of the site in the South Downs National Park. Rather than continue the joint venture through the development phase the company chose to exit the arrangement post the receipt of satisfactory planning permission once certain pre-conditions were deemed to be satisfied.

The Santon Group has substantially developed The Highland Club, the Grade A, Fort Augustus Abbey, Loch Ness into 109 luxury residential units; the vast majority of which have been sold. It has been a true labour of love for the Group and it is a significant achievement for Santon that it chose to devote the necessary time and financial resources to enable the project to be completed in the most hostile of economic environments. The Highland Club has played an important role in regenerating the local area and, as the units are largely used as holiday lets, will continue to provide a material boost to the economic growth in the Fort Augustus in perpetuity. The Santon Group continue to concentrate on marketing the remaining properties for sale and in the short run provide holiday lets.

We are proud that the development has amassed a clutch of awards which reflect on the work we have put in and are continuing to put in. To name but a few; The Green Apple Environment Gold Award -Winner, Built Environment Rural; RICS Award - Winner, Tourism and Leisure and RICS Award - Winner (Highly commended), Building Conservation. We have recently been shortlisted for the Best Self Catering category of the SOLA 2017 Awards – the Scottish Outdoor and Leisure Awards, which are being held at the end of October. A full list of awards is included with the Santon Highlands Limited accounts.

The Group's office investment in Ealing continues to perform well. The Group refurbished the property during the period and as a result achieved substantially increased rents on new lettings. Rental levels are expected to continue to increase with the impending arrival of the Crossrail link to Ealing Broadway.

SANTON CAPITAL PLC AND SUBSIDIARIES

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

Principal risks and uncertainties

'Brexit' continues to have a negative impact on development sentiment; particularly in relation to riskier and longer term development projects. Whilst there is a view that the impact of 'Brexit' is not as bad as was forecast (other than perhaps on Sterling) we remain of the view that the true impact of 'Brexit' will only become known when we have more knowledge on the shape of the exit.

It is therefore likely that, at least in the short term, the Group will focus on expanding its property investment and private equity investments as it winds down its development activities; particularly on the residential side.

The commercial market, driven by continuously low interest rates, is more energised, particularly in the regions as people recognise the relative cheapness of the secondary market compared to prime London and we will continue to look for opportunities outside London. Banking, whilst still remaining difficult, has become easier and although LTV's remain low they are rising. The most notable development over the last few years has been the development of Alternative Funding sources, which we welcome, although the Group has yet to use any such sources.

Key performance indicators

The management consider turnover, profit before tax and working capital requirements as key performance indicators for the Group and company.

Prospects

Prospects for the Group remain good but in an uncertain and volatile economic and geopolitical environment.

The Group's office investment in Ealing is likely to benefit significantly over the next few years from impact of Crossrail. Ealing Broadway station is expected to commence Crossrail services from 2019.

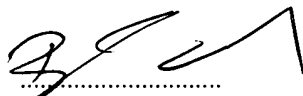
The Group's industrial investment in Newton Aycliffe is likely to benefit substantially in the long term by the decision of Nissan to build the new Qashqai SUV and X-Trail models in Sunderland. This will also have a positive impact on the Group's private equity style investment in Hyperdrive .Innovation; a leading innovator in the electric battery space.

The prospects for the Group's investment in Princess Street Suites, Edinburgh remain very good. Revenues continued to grow substantially in the year following a refurbishment of the apartments and an increase in tourism.

The Group see improving prospects for a recovery in the second home market, albeit from a low base, which should benefit The Highland Club development.

We will continue to look for opportunistic development and investment opportunities.

On behalf of the board



B S Sandhu

Director

2/10/17

SANTON CAPITAL PLC AND SUBSIDIARIES

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the period ended 31 March 2017.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

B S Sandhu

S Carey

R Patel

(Resigned 31 August 2016)

(Appointed 31 August 2016)

Results and dividends

The results for the period are set out on page 7.

No dividends have been paid on the ordinary shares of the company (2016: £Nil).

Supplier payment policy

The Group's operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with those terms provided that suppliers also comply with all relevant terms and conditions.

Political donations

The Group does not make any political donations and has never done so.

During the period, the Group made direct charitable contributions of £18,300 (2016: £12,000).

The Santon Capital plc group provides offices, staff and administrative support to The Sandhu Charitable Foundation without charge. The director B S Sandhu is the founder and Trustee of the Foundation, which is the major conduit for the Sandhu family and Santon Group charitable activities. During the period the Foundation made charitable donations and commitments of £308,000 (2016: £305,000).

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

SANTON CAPITAL PLC AND SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

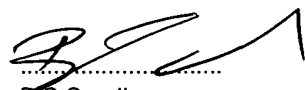
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

Going concern

Having reviewed the group's financial forecasts, expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the financial statements for the period ended 31 March 2017.

On behalf of the board



B S Sandhu

Director

...21.10.17...

SANTON CAPITAL PLC AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

We have audited the financial statements of Santon Capital Plc and subsidiaries for the period ended 31 March 2017 set out on pages 7 to 33. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 group's and the parent 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 group's and the parent company's affairs as at 31 March 2017 and of its profit for the period 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

SANTON CAPITAL PLC AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Hiten Patel FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

.....2/10/17.....

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP INCOME STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2017

		Period ended 31 March 2017 £	Year ended 30 April 2016 £
	Notes		
Turnover	3	133,192,849	39,224,859
Cost of sales		(121,569,525)	(29,764,718)
Gross profit		11,623,324	9,460,141
Administrative expenses		(1,828,776)	(2,289,165)
Other operating income		23,516	115,000
Operating profit	4	9,818,064	7,285,976
Interest receivable and similar income	7	373,511	400,044
Interest payable and similar expenses	8	(6,614,285)	(6,647,863)
Fair value gains/(losses) on investments	9	1,041,473	(621,726)
Fair value gains and losses on investment properties		-	2,590,183
Profit before taxation		4,618,763	3,006,614
Taxation	10	(600,669)	(679,652)
Profit for the financial period		4,018,094	2,326,962

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

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2017

	Period ended 31 March 2017 £	30 April 2016 £
Profit for the period	4,018,094	2,326,962
	<hr/>	<hr/>
Other comprehensive income		
Revaluation of tangible fixed assets	-	286,450
Tax relating to other comprehensive income	14,408	(55,105)
	<hr/>	<hr/>
Other comprehensive income for the period	14,408	231,345
	<hr/>	<hr/>
Total comprehensive income for the period	4,032,502	2,558,307
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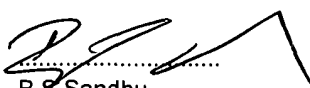
SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		964,013		1,029,993
Investment properties	12		9,717,240		9,686,050
Investments	13		5,427,399		3,833,421
			<u>16,108,652</u>		<u>14,549,464</u>
Current assets					
Stocks	18	223,643,026		354,390,069	
Debtors	19	1,318,782		3,613,062	
Cash at bank and in hand		9,876,740		12,817,084	
		<u>234,838,548</u>		<u>370,820,215</u>	
Creditors: amounts falling due within one year	20	(37,455,782)		(60,131,503)	
Net current assets			<u>197,382,766</u>		<u>310,688,712</u>
Total assets less current liabilities			<u>213,491,418</u>		<u>325,238,176</u>
Creditors: amounts falling due after more than one year	21		(200,679,445)		(316,364,317)
Provisions for liabilities	23		(710,136)		(804,524)
Net assets			<u><u>12,101,837</u></u>		<u><u>8,069,335</u></u>
Capital and reserves					
Called up share capital	25		124,002		124,002
Share premium account			195,053		195,053
Revaluation reserve			344,853		330,445
Other reserves			407,684		407,684
Capital redemption reserve			92,000		92,000
Profit and loss reserves			10,938,245		6,920,151
Total equity			<u><u>12,101,837</u></u>		<u><u>8,069,335</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27/04/17 and are signed on its behalf by:


B. S. Sandhu
Director

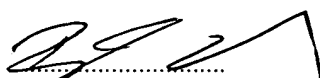
SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

		2017	2016
	Notes	£	as restated £
Fixed assets			
Investments	13	6,852,509	5,258,530
Current assets			
Debtors	19	8,286,558	9,044,001
Cash at bank and in hand		2,619,906	2,194,815
		<u>10,906,464</u>	<u>11,238,816</u>
Creditors: amounts falling due within one year	20	<u>(2,901,997)</u>	<u>(5,454,331)</u>
Net current assets		<u>8,004,468</u>	<u>5,784,485</u>
Total assets less current liabilities		<u>14,856,977</u>	<u>11,043,015</u>
Provisions for liabilities	23	<u>(104,103)</u>	<u>-</u>
Net assets		<u><u>14,752,874</u></u>	<u><u>11,043,015</u></u>
Capital and reserves			
Called up share capital	25	124,002	124,002
Capital redemption reserve		92,000	92,000
Profit and loss reserves		<u>14,536,872</u>	<u>10,827,013</u>
Total equity		<u><u>14,752,874</u></u>	<u><u>11,043,015</u></u>

The financial statements were approved by the board of directors and authorised for issue on27/10/17.... and are signed on its behalf by:



B S Sandhu
Director

Company Registration No. 03364739

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
As restated for the period ended 30 April 2016:							
Balance at 1 May 2015	124,002	195,053	99,100	92,000	407,684	4,593,189	5,511,028
Year ended 30 April 2016:							
Profit for the year	-	-	-	-	-	2,326,962	2,326,962
Other comprehensive income:							
Revaluation of tangible fixed assets	-	-	286,450	-	-	-	286,450
Tax relating to other comprehensive income	-	-	(55,105)	-	-	-	(55,105)
Total comprehensive income for the year	-	-	231,345	-	-	2,326,962	2,558,307
Balance at 30 April 2016	124,002	195,053	330,445	92,000	407,684	6,920,151	8,069,335
Period ended 31 March 2017:							
Profit for the period	-	-	-	-	-	4,018,094	4,018,094
Other comprehensive income:							
Tax relating to other comprehensive income	-	-	14,408	-	-	-	14,408
Total comprehensive income for the period	-	-	14,408	-	-	4,018,094	4,032,502
Balance at 31 March 2017	124,002	195,053	344,853	92,000	407,684	10,938,245	12,101,837

SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
As restated for the period ended 30 April 2016:				
Balance at 1 May 2015	124,002	92,000	10,931,275	11,147,277
	<hr/>	<hr/>	<hr/>	<hr/>
Year ended 30 April 2016:				
Loss and total comprehensive income for the year	-	-	(104,262)	(104,262)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 April 2016	124,002	92,000	10,827,013	11,043,015
	<hr/>	<hr/>	<hr/>	<hr/>
Period ended 31 March 2017:				
Profit and total comprehensive income for the period	-	-	3,709,859	3,709,859
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	124,002	92,000	14,536,872	14,752,874
	<hr/>	<hr/>	<hr/>	<hr/>

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	28	128,124,598		36,184,645	
Interest paid		(6,614,285)		(6,647,863)	
Income taxes paid		(189,264)		(34,036)	
Net cash inflow from operating activities		121,321,049		29,502,746	
Investing activities					
Purchase of tangible fixed assets		(990)		(7,500)	
Purchase of investment property - through subsidiary acquisition		-	(1,903,636)		
Investment property additions		(31,190)	(54,731)		
Purchase of subsidiaries		-	(96,817)		
Purchase of fixed asset investments		-	(302,500)		
Proceeds on disposal of fixed asset investments		(1,593,977)	127,332		
Purchase of held to maturity assets		1,041,473	(503,251)		
Interest received		253,571	242,593		
Dividends received		114,385	83,013		
Other investment income received		5,555	74,438		
Net cash used in investing activities			(211,173)		(2,341,059)
Financing activities					
Repayment of borrowings		(8,365,348)	(1,549,869)		
Repayment of bank loans		(115,684,872)	(27,154,256)		
Net cash used in financing activities			(124,050,220)		(28,704,125)
Net decrease in cash and cash equivalents			(2,940,344)		(1,542,438)
Cash and cash equivalents at beginning of period		12,817,084		14,359,522	
Cash and cash equivalents at end of period		9,876,740		12,817,084	

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

Company information

Santon Capital Plc and subsidiaries ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Santon House, 53/55 Uxbridge Road, Ealing, London, W5 5SA.

The group consists of Santon Capital Plc and all of its subsidiaries.

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.

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.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the period was £3,755,883 (2016 - £104,262 loss).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Santon Capital Plc and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.3 Going concern

Having reviewed the group's financial forecasts, expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the financial statements for the period ended 31 March 2017.

1.4 Turnover

Turnover comprises property management fees which are recognised at the date the service was provided; the sales value of property developments which are recognised upon exchange of contracts; property rents receivable which are recognised when they accrue; and development income where this can be reliably measured at the period end.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line on the value of buildings
Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Purchases and sales of investment properties are accounted for on exchange of contract, unless the contract is conditional and the condition has not been satisfied at the date financial statements are approved. In such circumstances the purchase or sale is accounted for on completion of contract.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.9 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.

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.

1.10 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.

1.11 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

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 are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its 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 receipts 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group 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 group.

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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 income statement, 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 if, and only if, there is 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.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Reporting period

The figures included in the accounts are for the 11 months ended 31 March 2017. The comparative figures are for 12 months period ended 30 April 2016.

1.17 Prior period adjustment

The cost of investment was included within debtors for the year ended 30 April 2016 which was considered to meet the criteria of a fixed asset investments as contained in FRS102 'Investments'. In the period to 31 March 2017, the cost of the assets have been corrected by way of prior period adjustment. This has had the effect of increasing investments in 2016 by £302,500 and a corresponding decrease in the debtors for the year then ended.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover		
Rental income	15,151,773	19,343,382
Sale of development properties	114,214,288	18,818,275
Management fees	3,826,788	1,063,202
	<u>133,192,849</u>	<u>39,224,859</u>
Other significant revenue		
Interest income	253,571	242,593
Dividends received	114,385	83,013
	<u>367,956</u>	<u>325,606</u>

Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom	<u>133,192,849</u>	<u>39,224,859</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	66,970	33,638
Cost of stocks recognised as an expense	121,569,525	29,764,718
	<u>121,636,495</u>	<u>29,800,356</u>

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,000	2,000
Audit of the company's subsidiaries	37,500	35,000
	<u>39,500</u>	<u>37,000</u>
For other services		
Taxation compliance services	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	2017 Number	2016 Number
Administrative staff	12	14

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	515,686	439,802
Social security costs	56,895	42,673
Pension costs	130,972	33,845
	<u>703,553</u>	<u>516,320</u>

Directors' remuneration of £37,917 (2016: £nil) was paid from a subsidiary entity to a director of the subsidiary whom is also a director of the company. See note 27 for disclosure of key management personnel remuneration in the subsidiaries, who are also directors of the subsidiary entities.

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	26,886	57,194
Other interest income	226,685	185,399
Total interest revenue	<u>253,571</u>	<u>242,593</u>
Other income from investments		
Dividends received	114,385	83,013
	<u>367,956</u>	<u>325,606</u>
Income from fixed asset investments		
Income from other fixed asset investments	5,555	74,438
Total income	<u>373,511</u>	<u>400,044</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	26,886	57,194
Dividends from financial assets measured at fair value through profit or loss	114,385	83,013

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	6,435,883	6,337,265
Other finance costs:		
Other interest	178,402	310,598
Total finance costs	<u>6,614,285</u>	<u>6,647,863</u>

9 Amounts written off investments

	2017 £	2016 £
Fair value gains/(losses) on financial instruments		
Amounts written back to/(written off) fair value through income statement	1,169,261	(577,092)
Other gains/(losses)		
Loss on disposal of financial assets held at fair value	(93,939)	(2,226)
Amounts written off financial assets held at cost	(33,849)	(42,408)
	<u>1,041,473</u>	<u>(621,726)</u>

10 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	676,250	185,480
Adjustments in respect of prior periods	4,399	11,284
Total current tax	<u>680,649</u>	<u>196,764</u>
Deferred tax		
Origination and reversal of timing differences	(79,980)	482,888
Total tax charge	<u>600,669</u>	<u>679,652</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

10 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	4,618,763	3,006,614
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	923,753	601,323
Tax effect of expenses that are not deductible in determining taxable profit	2,890	8,980
Tax effect of income not taxable in determining taxable profit	(23,876)	(30,602)
Gains not taxable	-	445
Tax effect of utilisation of tax losses not previously recognised	(15,370)	-
Adjustments in respect of prior years	-	11,284
Group relief	916	(110)
Permanent capital allowances in excess of depreciation	(6,692)	(16,816)
Depreciation on assets not qualifying for tax allowances	2,923	(118)
Effect of revaluations of investments	(209,588)	(10,315)
Other non-reversing timing differences	1,294	11,581
Under/(over) provided in prior years	4,399	-
Deferred tax adjustments in respect of prior years	-	104,000
Deferred tax	(79,980)	-
Tax expense for the period	600,669	679,652

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Deferred tax arising on:		
Revaluation of property	(14,408)	55,105

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

11 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 May 2016	1,013,950	15,403	97,808	36,738	1,163,899
Additions	-	-	-	990	990
At 31 March 2017	1,013,950	15,403	97,808	37,728	1,164,889
Depreciation and impairment					
At 1 May 2016	-	15,403	86,275	32,228	133,906
Depreciation charged in the period	50,698	-	11,514	4,758	66,970
At 31 March 2017	50,698	15,403	97,789	36,986	200,876
Carrying amount					
At 31 March 2017	963,252	-	19	742	964,013
At 30 April 2016	1,013,950	-	11,533	4,510	1,029,993

The company had no tangible fixed assets at 31 March 2017 or 30 April 2016.

12 Investment property

	Group 2017 £	Company 2017 £
Fair value		
At 1 May 2016	9,686,050	-
Additions	31,190	-
At 31 March 2017	9,717,240	-

Investment properties comprise of freehold land buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

12 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2017 £	Company 2017 £
Cost	5,711,242	-
Additions	31,190	-
Carrying amount	5,742,432	-

13 Fixed asset investments

	Notes	Group 2017 £	Restated 2016 £	Company 2017 £	Restated 2016 £
Investments in subsidiaries	14	-	-	1,425,110	1,425,110
Investments in associates	15	100,000	100,000	100,000	100,000
Investments in joint ventures	16	2	2	2	2
Listed investments		4,415,169	2,809,842	4,415,169	2,809,842
Unlisted investments		912,227	923,577	912,227	923,576
		5,427,399	3,833,421	6,852,509	5,258,530

The group and company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

The fair values of the Listed investment financial assets with standard terms and conditions are traded on active liquid markets are determined with reference to quoted market prices.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

13 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Shares
£

Cost or valuation

At 30 April 2016	3,875,829
Additions	737,244
Valuation changes	1,169,261
Disposals	(278,679)
At 31 March 2017	5,503,655

Impairment

At 30 April 2016	42,408
Impairment losses	33,849
At 31 March 2017	76,257

Carrying amount

At 31 March 2017	5,427,398
At 30 April 2016	3,833,421

Movements in fixed asset investments Company

Shares
£

Cost or valuation

At 30 April 2016	5,300,938
Additions	737,244
Valuation changes	1,169,263
Disposals	(278,679)
At 31 March 2017	6,928,766

Impairment

At 30 April 2016	42,408
Impairment losses	33,849
At 31 March 2017	76,257

Carrying amount

At 31 March 2017	6,852,509
At 30 April 2016	5,258,530

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Santon Group Developments Limited	Scotland	Property development	Ordinary	100.00	
Santon Developments Plc	England & Wales	Management company	Ordinary	100.00	
Santon UK Limited	England & Wales	Dormant entity	Ordinary	100.00	
Santon Management Limited	England & Wales	Management company	Ordinary	100.00	
Santon Investments Limited	England & Wales	Dormant entity	Ordinary	100.00	
Santon Estates Limited	England & Wales	Dormant entity	Ordinary	100.00	
Santon Property Company Limited	England & Wales	Property investment	Ordinary	100.00	
Santon Close Nominees Limited	Scotland	Dormant entity	Ordinary	100.00	
Santon Homes Plc	Scotland	Dormant entity	Ordinary	100.00	
Santon Commercial Properties Plc	Scotland	Dormant entity	Ordinary	100.00	
Santon Contracting Limited	England & Wales	Dormant entity	Ordinary		100.00
Santon Highlands Limited	Scotland	Property development and investment	Ordinary		100.00
Santon Retail Limited	England & Wales	Dormant entity	Ordinary		100.00
Santon Newton Aycliffe Limited	England & Wales	Property investment	Ordinary	100.00	
Highland Club Management Company Limited	England & Wales	Dormant entity	Ordinary		100.00

15 Associates

Details of associates at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
Hindley RefurbThat LLP	England & Wales	Investment management	Members interest	26.55

The investment which made in year ended 30 April 2015, became an associate during the previous year. The results of the associate are not included in these accounts on the basis that they are deemed immaterial to the group.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

16 Joint ventures

Details of joint ventures at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
The Highland Club Limited	England & Wales	Dormant entity	Ordinary	50.00

The joint venture's trade during the previous and current period remains dormant and therefore it's results have not been included in the consolidated accounts.

17 Financial instruments

	Group 2017 £	Restated 2016 £	Company 2017 £	Restated 2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	774,082	1,330,471	8,286,549	9,044,001
Equity instruments measured at cost less impairment	1,012,229	1,023,579	2,437,339	2,448,688
Instruments measured at fair value through profit or loss	4,415,169	2,809,842	4,415,169	2,809,842
Carrying amount of financial liabilities				
Measured at amortised cost	236,833,388	375,371,504	2,737,334	5,444,130

18 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Development properties	223,643,026	354,390,069	-	-

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

19 Debtors

	Group 2017 £	Restated 2016 £	Company 2017 £	Restated 2016 £
Amounts falling due within one year:				
Trade debtors	30,475	391	-	-
Amount due from parent undertaking	-	-	7,719,585	7,906,234
Other debtors	593,607	1,180,080	566,974	1,137,767
Prepayments and accrued income	544,700	2,282,591	-	-
	<u>1,168,782</u>	<u>3,463,062</u>	<u>8,286,559</u>	<u>9,044,001</u>
Amounts falling due after one year:				
Other debtors	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Total debtors	<u><u>1,318,782</u></u>	<u><u>3,613,062</u></u>	<u><u>8,286,559</u></u>	<u><u>9,044,001</u></u>

20 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Other loans	22	9,832,075	18,197,423	-	-
Trade creditors		58,542	274,431	-	-
Amounts due to group undertakings		-	-	2,600,906	2,243,696
Corporation tax payable		676,229	184,844	164,662	10,201
Other taxation and social security		625,609	939,473	-	-
Other creditors		19,547,327	32,901,523	132,200	3,148,434
Accruals and deferred income		6,716,000	7,633,809	4,229	52,000
		<u>37,455,782</u>	<u>60,131,503</u>	<u>2,901,997</u>	<u>5,454,331</u>

Amounts of £4,832,075 (2016: £13,197,423) within other loans disclosed above are secured by fixed and floating charges over some of the group's assets and by first charges over the group's development properties.

21 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	22	<u>200,679,445</u>	<u>316,364,317</u>	<u>-</u>	<u>-</u>

The loans and overdrafts are secured by fixed and floating charges over some of the group's assets and by first charges over the group's development properties.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

22 Loans and overdrafts

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans	200,679,445	316,364,317	-	-
Other loans	9,832,075	18,197,423	-	-
	<u>210,511,520</u>	<u>334,561,740</u>	<u>-</u>	<u>-</u>
Payable within one year	9,832,075	18,197,423	-	-
Payable after one year	<u>200,679,445</u>	<u>316,364,317</u>	<u>-</u>	<u>-</u>

Loans and overdrafts totalling £205,511,520 (2016: £329,561,740) are secured by fixed and floating charge over some of the group's assets and by first charges over the group's development properties.

The loans are made up of numerous loans for each development property held as stock, with the loan interest rates at margin over Libor of 1.30% at the year end. Each loan is satisfied at the point the development property is sold to the customer in accordance with the head agreement terms. In accordance with the head agreement the customer is ultimately liable for the loans.

Other loans payable within one year include a loan of £5,000,000. This loan is secured by a fixed charge over a development and by a bond and floating charge over the company's assets. The loan is also subject to interest at 3.5% plus base rate and is repayable in December 2017, unless new repayment terms are agreed.

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2017 £	Liabilities 2016 £
Revaluations	606,033	804,524
Investments	104,103	-
	<u>710,136</u>	<u>804,524</u>
Company	Liabilities 2017 £	Liabilities 2016 £
Investments	<u>104,103</u>	<u>-</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

23 Deferred taxation (Continued)

	Group 2017 £	Company 2017 £
Movements in the period:		
Liability at 1 May 2016	804,525	-
Charge to profit or loss	(79,980)	104,103
Charge to other comprehensive income	(14,408)	-
Liability at 31 March 2017	<u>710,137</u>	<u>104,103</u>

24 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>130,972</u>	<u>33,845</u>

A defined contribution pension scheme is operated for all qualifying employees. The company contributes towards the individuals personal pension plan.

25 Share capital

	Group and company 2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
248,004 Ordinary shares of 50p each	<u>124,002</u>	<u>124,002</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

26 Related party transactions

Remuneration of key management personnel

There was no remuneration in respect of key management personnel in the parent company. The key management personnel remuneration in the subsidiaries, who are also directors of the subsidiary entities, is as follows;

	2017 £	2016 £
Aggregate compensation	204,417	176,083

No guarantees have been given or received.

a) Other creditors include £72,748 (2016: £2,013,996) due to B S Sandhu and £55,058 (2016: £497,308) due to P Sandhu, the wife of the director B S Sandhu. Interest of £11,145 (2016: £85,782) was incurred by the company in respect of these balances.

b) Included in other creditors are amounts of £nil (2016: £632,736) due to B&P Investments Limited, a company which B. S. Sandhu is a director and shareholder. The amount was fully repaid during the period. Interest of £15,339 (2016: £29,324) was incurred by the company in respect of this loan.

c) Fixed asset investments include 1,671,507 Raven Russia Warrants, which were purchased from by B S Sandhu at market value (£254,905).

d) Fixed asset investments include 1,670,000 Raven Russia Warrants, which were purchased from B S Sandhu's spouse at market value (£254,675).

e) Fixed asset investments include 192,486 Raven Russia Warrants, which were purchased from Hillside Management Services Limited a company which is owned and controlled by the director B S Sandhu's spouse at market value (£29,354).

f) During the period the company was charged management fees of £nil (2016: £50,000) by Hillside Management Services Limited, a company which is owned and controlled by the director B. S. Sandhu's spouse.

g) The Santon Capital plc group provides offices, staff and administrative support to The Sandhu Charitable Foundation without charge. The director B S Sandhu is the founder and Trustee of the Foundation, which is the major conduit for the Sandhu family and Santon Group charitable activities.

h) During the period an interest free loan of £200,000 was made to The Sandhu Charitable Foundation, which was repaid during the year.

27 Controlling party

At 31 March 2017 the company was controlled by B.S. Sandhu.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

28 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	4,018,094	2,326,962
Adjustments for:		
Taxation charged	600,669	679,652
Finance costs	6,614,285	6,647,863
Investment income	(373,511)	(400,044)
Fair value gains and losses on investment properties	-	(2,590,183)
Depreciation and impairment of tangible fixed assets	66,970	33,638
Fair value (gains)/losses on investments	(1,041,473)	621,726
Movements in working capital:		
Decrease in stocks	130,747,043	19,562,109
Decrease/(increase) in debtors	2,292,127	(584,561)
(Decrease)/increase in creditors	(14,799,606)	9,887,483
Cash generated from operations	128,124,598	36,184,645

29 Prior period adjustment

The cost of investment was included within debtors for the year ended 30 April 2016 which was considered to meet the criteria of a fixed asset investments as contained in FRS102 'Investments'. In the period to 31 March 2017, the cost of the assets have been corrected by way of prior period adjustment. This has had the effect of increasing investments in 2016 by £302,500 and a corresponding decrease in the debtors for the year then ended.

Changes to the statement of financial position - group

	At 31 March 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Investments	3,530,921	302,500	3,833,421
Current assets			
Debtors due after one year	352,500	(202,500)	150,000
Debtors due within one year	3,563,062	(100,000)	3,463,062

Changes to the statement of financial position - company

	At 31 March 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Investments	4,956,030	302,500	5,258,530
Current assets			
Debtors due after one year	202,500	(202,500)	-
Debtors due within one year	9,144,001	(100,000)	9,044,001