

AKARANA LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

AKARANA LIMITED
REGISTERED NUMBER: 03480397

BALANCE SHEET
AS AT 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 3,132 | 3,236 |
| Investment property | 5 | 328,197 | 283,706 |
| | | <u>331,329</u> | <u>286,942</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 7,209 | 17,902 |
| Cash at bank and in hand | 7 | 14,244 | 33,885 |
| | | <u>21,453</u> | <u>51,787</u> |
| Creditors: amounts falling due within one year | 8 | (62,194) | (66,731) |
| Net current liabilities | | <u>(40,741)</u> | <u>(14,944)</u> |
| Total assets less current liabilities | | <u>290,588</u> | <u>271,998</u> |
| Creditors: amounts falling due after more than one year | 9 | (79,816) | (95,155) |
| Provisions for liabilities | | | |
| Deferred tax | 11 | (40,484) | (32,244) |
| | | <u>(40,484)</u> | <u>(32,244)</u> |
| Net assets | | <u><u>170,288</u></u> | <u><u>144,599</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Profit and loss account | | 170,286 | 144,597 |
| | | <u><u>170,288</u></u> | <u><u>144,599</u></u> |

AKARANA LIMITED
REGISTERED NUMBER: 03480397

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr A K Dutton
Director

Date: 28 September 2017

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Akarana Limited is a private Company limited by shares incorporated in England and Wales within the United Kingdom. The address of the registered office is Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ. This company is not part of a group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

These financial statements for the year ended 31 December 2016 are the first financial statements prepared in accordance with FRS 102 Section 1A. The date of transition to FRS 102 Section 1A was 01 January 2016.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised by the Company in respect of consultancy services supplied and rental income received during the year. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

| | | | |
|---------------------------|---|-----|------------------|
| S/Term Leasehold Property | - | 25% | |
| | | | reducing balance |
| Computer equipment | - | | |
| Fixtures & fittings | - | 33% | |
| | | | reducing balance |

2.4 Investment property

Investment property is carried at fair value determined annually by the directors' and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of income and retained earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and retained earnings within 'administration expenses'. All other foreign exchange gains and losses are presented in the statement of income and retained earnings within 'administration expenses'.

2.10 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable.

2.12 Borrowing costs

All borrowing costs are recognised in the statement of income and retained earnings in the year in which they are incurred.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2015 - 2).

AKARANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Tangible fixed assets

| | Other fixed assets £ |
|-------------------------------------|----------------------------|
| Cost or valuation | |
| At 1 January 2016 | 13,611 |
| Additions | 1,199 |
| At 31 December 2016 | <u>14,810</u> |
| Depreciation | |
| At 1 January 2016 | 10,375 |
| Charge for the year on owned assets | 1,303 |
| At 31 December 2016 | <u>11,678</u> |
| Net book value | |
| At 31 December 2016 | <u>3,132</u> |
| At 31 December 2015 | <u>3,236</u> |

5. Investment property

| | Freehold investment property £ |
|---------------------------|---|
| Valuation | |
| At 1 January 2016 | 283,706 |
| Foreign exchange movement | 44,490 |
| At 31 December 2016 | <u>328,196</u> |

The 2016 valuations were made by the director, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Historic cost | 284,335 | 284,335 |
| Revaluations and exchange rate differences | 43,861 | (630) |
| | <u>328,196</u> | <u>283,705</u> |

AKARANA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Debtors

| | 2016 £ | 2015 £ |
|---------------|--------------|---------------|
| Trade debtors | - | 13,997 |
| Other debtors | 7,209 | 3,905 |
| | <u>7,209</u> | <u>17,902</u> |

7. Cash and cash equivalents

| | 2016 £ | 2015 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | <u>14,244</u> | <u>33,885</u> |

8. Creditors: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|---------------|---------------|
| Bank loans | 19,000 | 19,000 |
| Corporation tax | 35,508 | 31,520 |
| Other taxation and social security | 4,186 | 7,763 |
| Other creditors | - | 4,948 |
| Accruals and deferred income | 3,500 | 3,500 |
| | <u>62,194</u> | <u>66,731</u> |

9. Creditors: Amounts falling due after more than one year

| | 2016 £ | 2015 £ |
|------------|---------------|---------------|
| Bank loans | <u>79,816</u> | <u>95,155</u> |

Secured loans

Included within creditors are secured debts amounting to £98,816 (2015 - £114,155) which are secured on the fixed assets to which they relate.

AKARANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. Loans

Analysis of the maturity of loans is given below:

| | 2016 £ | 2015 £ |
|--|---------------|----------------|
| Amounts falling due within one year | | |
| Bank loans | 19,000 | 19,000 |
| | <u>19,000</u> | <u>19,000</u> |
| Amounts falling due 2-5 years | | |
| Bank loans | 57,000 | 57,000 |
| | <u>57,000</u> | <u>57,000</u> |
| Amounts falling due after more than 5 years | | |
| Bank loans | 22,816 | 38,155 |
| | <u>22,816</u> | <u>38,155</u> |
| | <u>98,816</u> | <u>114,155</u> |

11. Deferred taxation

| | 2016 £ |
|---------------------------|-----------------|
| At beginning of year | (32,244) |
| Charged to profit or loss | (8,240) |
| At end of year | <u>(40,484)</u> |

The provision for deferred taxation is made up as follows:

| | 2016 £ |
|--|-----------------|
| Accelerated capital allowances | (626) |
| Deferred tax on revaluated investment properties | (39,858) |
| | <u>(40,484)</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2015

| | Note | £ |
|--|------|-----------------------|
| Equity at 1 January 2015 under previous UK GAAP | | 159,347 |
| Deferred tax on revalued investment properties | | (25,611) |
| Equity shareholders funds at 1 January 2015 under FRS 102 | | <u><u>133,736</u></u> |

Reconciliation of equity at 31 December 2015

| | Note | £ |
|--|------|-----------------------|
| Equity at 31 December 2015 under previous UK GAAP | | 176,195 |
| Deferred tax on revalued investment properties | | (31,597) |
| Equity shareholders funds at 31 December 2015 under FRS 102 | | <u><u>144,598</u></u> |

Reconciliation of profit and loss account for the year ended 31 December 2015

| | £ |
|---|-----------------------|
| Profit for the year under previous UK GAAP | 125,409 |
| Movement of deferred tax on revalued investment properties | (5,986) |
| Profit for the year ended 31 December 2015 under FRS 102 | <u><u>119,423</u></u> |

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Deferred tax on revalued investment properties.