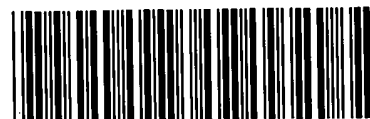


**TONSTATE (BOURNEMOUTH) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**

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# TONSTATE (BOURNEMOUTH) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A I Matyas Dr E O Wojakowski Mr N Smith
<b>Secretary</b>	Dr E Wojakowski
<b>Company number</b>	04261348
<b>Registered office</b>	3 Park Place St James's London SW1A 1LP
<b>Auditor</b>	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
<b>Business address</b>	3 Park Place St James's London SW1A 1LP
<b>Bankers</b>	Bank of Scotland Plc The Mound Edinburgh EH1 1YZ
<b>Solicitors</b>	Squire Patton Boggs (UK) LLP 7 Devonshire Square London EC2M 4YH  Pinsent Masons LLP 30 Crown Place London EC2A 4ES

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# TONSTATE (BOURNEMOUTH) LIMITED

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# TONSTATE (BOURNEMOUTH) LIMITED

## BALANCE SHEET

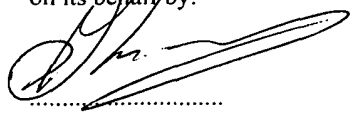
AS AT 30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Investment properties	4		7,300,000		7,820,000
<b>Current assets</b>					
Debtors	5	510,625		488,177	
Cash at bank and in hand		43,006		126,279	
		553,631		614,456	
<b>Creditors: amounts falling due within one year</b>	6	(8,699,946)		(8,760,771)	
<b>Net current liabilities</b>			(8,146,315)		(8,146,315)
<b>Total assets less current liabilities</b>			(846,315)		(326,315)
<b>Capital and reserves</b>					
Called up share capital	7		100		100
Other reserves			(846,415)		(326,415)
<b>Total equity</b>			(846,315)		(326,315)

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

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

The financial statements were approved by the board of directors and authorised for issue on 29 October 2017 and are signed on its behalf by:



Mr A I Matyas  
Director

Company Registration No. 04261348

# TONSTATE (BOURNEMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

Tonstate (Bournemouth) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Park Place, St James's, London, SW1A 1LP.

#### **1.1 Accounting convention**

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

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

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

These financial statements for the period ended 30 September 2016 are the first financial statements of Tonstate (Bournemouth) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 9.

The current figures relate to the 18 month period ended 30 September 2016. The comparatives are for the 12 month period from 1 April 2014 to 31st March 2015. Therefore the comparative amounts presented in the financial statements are not entirely comparable.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents rental income due in the year net of VAT.

#### **1.4 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 profit and loss account. The fair value movements in investment property valuations are then transferred out of the profit and loss reserves into other reserves.

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

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

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

# TONSTATE (BOURNEMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

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### 1 Accounting policies

(Continued)

#### 1.6 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

##### *Basic financial assets*

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

##### *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.

##### *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 company 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 company after deducting all of its liabilities.

# TONSTATE (BOURNEMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future 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 company's contractual obligations expire or are discharged or cancelled.

### 1.7 Equity instruments

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

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 0 (2015 - 0).

### 3 Amounts due to partners in joint property arrangements

	2016 £	2015 £
Share of profit for the financial year	(305,389)	(921,282)

The profits or losses (excluding fair value gains) of Tonstate (Bournemouth) Limited are distributed in accordance with the joint venture agreements. The profit or loss will be treated as income or loss or loss of the ultimate receiving party who will account for any tax due thereon.

### 4 Investment property

	2016 £
Fair value	
At 1 April 2015	7,820,000
Revaluations	(520,000)
At 30 September 2016	7,300,000

# **TONSTATE (BOURNEMOUTH) LIMITED**

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

**FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

### **5 Debtors**

2016	2015
£	£
343,400	190,000
167,225	171,103
-	127,074
510,625	488,177
Amounts due from associate undertakings	
Other debtors	
Prepayments and accrued income	
Amounts falling due within one year:	
6 Creditors: amounts falling due within one year	

2016	2015
£	£
183,704	233,543
8,369,093	8,362,609
23,189	40,372
16,851	16,850
107,109	107,397
8,699,946	8,760,771
Amounts owed to partners in joint property arrangements	
Amounts due to undertakings in which the company has a participating interest	
Other taxation and social security	
Other creditors	
Accruals and deferred income	
7 Called up share capital	

2016	2015
£	£
26	26
74	74
100	100
Ordinary share capital	
Issued and fully paid	
26 Ordinary A shares of £1 each	
74 Ordinary B shares of £1 each	
8 As regards voting rights, either on a show of hands or on a poll, every member to the extent that such member is a holder of A Ordinary shares be entitled to exercise such percentage of the votes exercisable at general meetings as his holding of A Ordinary shares bears to the total number of A Ordinary shares then in issue and on the basis that the A Ordinary shareholders shall together be entitled to exercise 51% of all the votes exercisable. In the same circumstances, the B Shareholders shall together only be entitled to exercise 49% of all the votes exercisable.	
8 Amounts transferred to joint venture parties	

The profits or losses of Tonstate (Bournemouth) Limited are distributed to the joint venture parties in accordance with the joint venture agreement. The profit or loss will be treated as income or loss of the ultimate receiving party who will also account for any tax due thereon.



# TONSTATE (BOURNEMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

### 9 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

Notes	At 1 April 2014			At 31 March 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>						
Investment properties	8,500,000	-	8,500,000	7,820,000	-	7,820,000
<b>Current assets</b>						
Debtors	476,308	-	476,308	488,177	-	488,177
Bank and cash	126,419	-	126,419	126,279	-	126,279
	602,727	-	602,727	614,456	-	614,456
<b>Creditors due within one year</b>						
Loans and overdrafts	(144,735)	-	(144,735)	-	-	-
Taxation	(27,147)	-	(27,147)	(40,372)	-	(40,372)
Other creditors	(3,057,420)	-	(3,057,420)	(8,720,399)	-	(8,720,399)
	(3,229,302)	-	(3,229,302)	(8,760,771)	-	(8,760,771)
Net current liabilities	(2,626,575)	-	(2,626,575)	(8,146,315)	-	(8,146,315)
Total assets less current liabilities	5,873,425	-	5,873,425	(326,315)	-	(326,315)
<b>Creditors due after one year</b>						
Loans and overdrafts	(5,519,740)	-	(5,519,740)	-	-	-
Current derivatives - 3	-	(941,567)	(941,567)	-	-	-
Interest rate swaps	(5,519,740)	(941,567)	(6,461,307)	-	-	-
Net assets	353,685	(941,567)	(587,882)	(326,315)	-	(326,315)
<b>Capital and reserves</b>						
Share capital	100	-	100	100	-	100
Revaluation reserve 1	353,585	(353,585)	-	(326,415)	326,415	-
Other reserves 1	-	353,585	353,585	-	(326,415)	(326,415)
Profit and loss reserves	-	(941,567)	(941,567)	-	-	-
Total equity	353,685	(941,567)	(587,882)	(326,315)	-	(326,315)

# TONSTATE (BOURNEMOUTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 30 SEPTEMBER 2016

#### 9 Reconciliations on adoption of FRS 102

(Continued)

##### Reconciliation of loss for the financial period

	Notes	Year ended 31 March 2015			FRS 102
		Previous UK GAAP	Prior year adjustment	Effect of transition	
		£	£	£	£
Turnover		508,344	-	-	508,344
Administrative expenses		(134,961)	-	-	(134,961)
Interest receivable and similar income		271	-	-	271
Interest payable and similar expenses	3	(1,294,936)	-	113,390	(1,181,546)
Fair value gains and losses on investment properties	2	-		(680,000)	(680,000)
Fair value gains and losses on interest rate swap	3	-		828,177	828,177
Loss before taxation		(921,282)	-	261,567	(659,715)
Taxation		-	-	-	-
Loss for the financial period		(921,282)	-	261,567	(659,715)

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

##### 1) Investment properties

Under FRS 102, the revaluation reserve cannot include the revaluation in relation to investment properties. On transition, the revaluation reserve has been transferred to the profit and loss reserves and then transferred to other reserves. Previously under UK GAAP property revaluations were recognised in the revaluation reserve.

##### 2) Fair value gains and losses on investment properties

A revaluation deficit of £680,000 had been recognised in a revaluation reserve in the 2015 accounts prepared in accordance with old UK GAAP. FRS 102 requires this deficit to be included in arriving at the profit before taxation for the year and describes it as a fair value adjustment to investment properties.

##### 3) Current derivatives - Interest rate swaps

In accordance with FRS 102, the fair value of a derivative financial instruments is recognised on transition. A financial liability has been recognised within creditors due in more than one year. The movement in the fair value of the derivative financial instrument is recognised through the profit and loss account.

#### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Alan Lester.

The auditor was H W Fisher & Company.