

**TRAFALGAR ENTERPRISE  
HOLDINGS LIMITED**

Report and Financial Statements

Period Ended

30 September 2016

Company Number 04281856



# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Company Information

<b>Director</b>	M J Hughes
<b>Registered number</b>	04281856
<b>Registered office</b>	Suite 5 33 Queen Street Wolverhampton West Midlands WV1 3AP
<b>Auditor</b>	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
<b>Bankers</b>	Bank of Scotland plc Lochside Avenue Edinburgh EH12 9DJ  Barclays Bank plc UK Banking Service Centre PO Box 299 Birmingham B1 3PF
<b>Solicitors</b>	Druces LLP Salisbury House London Wall London EC2M 5PS

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

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# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Director's report For the period ended 30 September 2016

The director presents his report and the financial statements for the period ended 30 September 2016.

### Principal activity

The Company's principal activity during the period was property rental. The director has extended the balance sheet date from 5 April 2016 to 30 September 2016 so the financial statements represent the period from 6 April 2015 to 30 September 2016.

### Business review

The company continued to receive rental income from its subsidiaries during the period. The director is satisfied with the results for the period.

### Results and dividends

The loss for the period, after taxation, amounted to £3,542,158 (2015 - profit £330,497).

During the period a dividend of £Nil (2015 : £60,000) was declared and paid.

### Director

The director who served during the period was:

M J Hughes

### Future developments

The director does not anticipate any significant change to the business operations going forward and therefore expects a trading similar performance in the period to 30 September 2017.

### Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

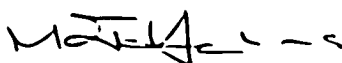
### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28.06.2017 and signed on its behalf.



**M J Hughes**  
Director

# **TRAFALGAR ENTERPRISE HOLDINGS LIMITED**

## **Director's responsibilities statement**

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **TRAFALGAR ENTERPRISE HOLDINGS LIMITED**

## **Independent Auditor's report to Trafalgar Enterprise Holdings Limited**

We have audited the financial statements of Trafalgar Enterprise Holdings Limited for the period ended 30 September 2016 which comprise the statement of income and retained earnings, the balance sheet, and the related notes. 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 Financial Reporting Standard 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 director and auditors**

As explained more fully in the statement of director's responsibilities, the director is 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 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.

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Independent Auditor's report to Trafalgar Enterprise Holdings Limited

### Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the company's ability to continue as a going concern.

The company is dependent upon the continuing support of its banker and on the ability of the company to refinance its loan facility. The company is in negotiations with the bank around the existing facility and has received an offer. The company is also investigating other financing options and is confident funding will be obtained.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

The financial statements do not include any adjustments that would be required if the company was unable to continue as a going concern.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the director was not entitled to prepare the financial statements and the director's report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

**Barbara J Southern** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Edinburgh  
United Kingdom

30 JUNE 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Statement of income and retained earnings For the period ended 30 September 2016

	Note	18 months ended 30 September 2016 £	Year ended 5 April 2015 £
Turnover	4	660,000	440,000
<b>Gross profit</b>		<b>660,000</b>	<b>440,000</b>
Administrative expenses		(5,034)	(3,633)
Loss from changes in fair value of investment property		(3,988,312)	-
<b>Operating (loss)/profit</b>	5	<b>(3,333,346)</b>	<b>436,367</b>
Income from shares in group undertakings		-	60,000
Interest payable and expenses	6	(196,255)	(141,683)
<b>(Loss)/profit before tax</b>		<b>(3,529,601)</b>	<b>354,684</b>
Tax on (loss)/profit	7	(12,557)	(24,187)
<b>(Loss)/profit after tax</b>		<b>(3,542,158)</b>	<b>330,497</b>
Retained earnings at the beginning of the period		716,092	445,595
		<b>716,092</b>	<b>445,595</b>
(Loss)/profit for the period		(3,542,158)	330,497
Dividends declared and paid	8	-	(60,000)
<b>Retained earnings at the end of the period</b>		<b>(2,826,066)</b>	<b>716,092</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 7 to 18 form part of these financial statements.



# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

Registered number: 04281856

## Balance sheet As at 30 September 2016

	Note	30 September 2016 £	30 September 2016 £	5 April 2015 £	5 April 2015 £
<b>Fixed assets</b>					
Investments	9		2		2
Investment property			900,000		4,868,212
			<u>900,002</u>		<u>4,868,214</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	11	132,540		76,000	
Cash at bank and in hand	12	29,451		29,359	
		<u>161,991</u>		<u>105,359</u>	
Creditors: amounts falling due within one year	13	(3,874,820)		(4,229,915)	
<b>Net current liabilities</b>			<u>(3,712,829)</u>		<u>(4,124,556)</u>
<b>Total assets less current liabilities</b>			<u>(2,812,827)</u>		<u>743,658</u>
<b>Provisions for liabilities</b>					
Deferred tax	14	(13,237)		(27,564)	
			<u>(13,237)</u>		<u>(27,564)</u>
<b>Net (liabilities)/assets</b>			<u><u>(2,826,064)</u></u>		<u><u>716,094</u></u>
<b>Capital and reserves</b>					
Called up share capital	15		2		2
Profit and loss account	16		(2,826,066)		716,092
			<u>(2,826,064)</u>		<u>716,094</u>

The company's financial statements have been prepared in accordance with the 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 on 28.06.2017



.....  
M J Hughes

Director

The notes on pages 7 to 18 form part of these financial statements.

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 1. General information

The company is a private company limited by shares incorporated in England and Wales, UK. The Company's registered office and company number are disclosed on the company information page. The Company's principal activity during the period was property rental.

The Company is itself a subsidiary undertaking and is exempt from the requirement to prepare group accounts by virtue of section 402 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

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's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Embankment Holdings Limited as at 30 September 2016 and these financial statements may be obtained from Companies House.

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 2. Accounting policies (continued)

#### 2.3 Going concern

The Company made a loss during the period of £3,542,158 (2015 : £330,497 profit). At the period end the company had net current liabilities of £2,837,620 (2015 : £3,234,640) and net liabilities of £2,826,064 (2015: net assets of £716,094).

During the period the Company breached one of its bank covenants and therefore the borrowings at the period end have been aged as falling due within one year. The company is funded by an on demand loan facility from the Bank of Scotland and are in negotiations with the bank around the existing facility and have received an offer. The company is also investigating other financing options and is confident funding will be obtained.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

#### 2.4 Revenue

Revenue comprises of the rental income payable by the subsidiaries in respect of the care home properties for use in their businesses. 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.

#### 2.5 Investment property

Investment property is carried at fair value determined annually by external valuers 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.

#### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.7 Debtors

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

#### 2.8 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.

#### 2.9 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 2. Accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### 2.10 Creditors

Short term creditors are measured at the transaction price.

##### 2.11 Finance costs

Finance costs are charged to the statement of income and retained earnings. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### 2.13 Operating leases: the company as lessor

Rental income from operating leases is credited to the statement of income and retained earnings on a straight line basis over the term of the relevant lease.

##### 2.14 Borrowing costs

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

##### 2.15 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a change 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 income 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.

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have identified the following areas which are deemed to be critical accounting policies or involve significant levels of estimation uncertainty.

#### Investment properties

The valuation of the investment property is completed by relevant qualified individuals based on all of the latest relevant market data. This market data includes average occupancy rates, average weekly fees and comparable homes within the same geographical area.

#### Fixed asset investments

The director assesses, on annual basis, the fixed asset investments within the subsidiary companies for any indication impairment. The director reviews the performance of the subsidiary companies in making his assessment.

### 4. Turnover

An analysis of turnover by class of business is as follows:

	18 months ended 30 September 2016 £	Year ended 5 April 2015 £
Rental income	660,000	440,000
	<u>660,000</u>	<u>440,000</u>

All turnover arose within the United Kingdom.

### 5. Operating profit

The operating profit is stated after charging:

	18 months ended 30 September 2016 £	Year ended 5 April 2015 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	2,793	1,800
- Non-audit services	2,207	1,541
	<u>2,207</u>	<u>1,541</u>

During the period, no director received any emoluments (2015 - £NIL).

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 6. Interest payable and similar charges

	18 months ended 30 September 2016 £	Year ended 5 April 2015 £
Loan interest payable	196,255	141,683
	<u>196,255</u>	<u>141,683</u>

### 7. Taxation

	18 months ended 30 September 2016 £	Year ended 5 April 2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	26,963	23,631
Adjustments in respect of previous periods	(79)	-
	<u>26,884</u>	<u>23,631</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(14,327)	556
	<u>(14,327)</u>	<u>556</u>
<b>Taxation on profit on ordinary activities</b>	<u>12,557</u>	<u>24,187</u>

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 7. Taxation (continued)

#### Factors affecting tax charge for the period/year

The tax assessed for the period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	18 months ended 30 September 2016 £	Year ended 5 April 2015 £
(Loss)/profit on ordinary activities before tax	<b>(3,529,601)</b>	354,684
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	<b>(705,920)</b>	42,067
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>797,663</b>	-
Capital allowances for period/year in excess of depreciation	-	(1,932)
Adjustments to tax charge in respect of prior periods	<b>(79)</b>	36
Fixed asset differences	<b>(21,158)</b>	16,794
Adjust closing deferred tax to average rate of 20%	<b>(2,336)</b>	-
Group income	-	(12,592)
Origination and reversal of timing differences	-	556
Other differences leading to an increase (decrease) in the tax charge	-	42
Group relief	<b>(55,613)</b>	(20,776)
Marginal relief	-	(8)
<b>Total tax charge for the period/year</b>	<b>12,557</b>	24,187

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

### 8. Dividends

	30 September 2016 £	5 April 2015 £
Dividends approved and paid in the year	-	60,000
	-	60,000

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 9. Fixed asset investments

	Shares in group under- takings £
<b>Cost</b>	
At 6 April 2015	2
	<hr/>
At 30 September 2016	2
	<hr/>
<b>Net book value</b>	
At 30 September 2016	2
	<hr/>
At 5 April 2015	2
	<hr/>

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Yorkshire Property Investment Fund Limited	UK	Ordinary	100 %	Provision of care home services.
Doncaster Property Investment Fund Limited	UK	Ordinary	100 %	Provision of care home services.
ECHD Limited*	UK	Ordinary	100 %	Provision of care home services.
CCCHD Limited*	UK	Ordinary	100 %	Provision of care home services.



# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 9. Fixed asset investments (continued)

\*ECHD Limited and CCCHD Limited are subsidiary undertakings of Yorkshire Property Investment Fund Limited and Doncaster Property Investment Fund Limited respectively, which in turn are subsidiaries of Trafalgar Enterprise Holdings Limited.

The aggregate of the share capital and reserves as at 30 September 2016 and of the profit or loss for the period ended on that date for all the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves 30 September £	Profit/(loss) 30 September £
Yorkshire Property Investment Fund Limited	266,852	(269,627)
Doncaster Property Investment Fund Limited	445,437	(164,113)
ECHD Limited	124,418	484
CCCHD Limited	43,262	(148)
	<u>          </u>	<u>          </u>

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 10. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 6 April 2015	4,868,212
Additions at cost	20,100
Impairment on revaluation	(3,988,312)
<b>At 30 September 2016</b>	<b>900,000</b>

The Investment property, including fixtures and fittings were valued by independent qualified valuers on 10 January 2017. The valuations were undertaken in accordance with the precise statement in the Royal Institution of Chartered Surveyors manual by CBRE, a firm of independent property valuers who conform to the Royal Institution of Chartered Surveyors manual requirements.

The valuation was provided as an opinion of the price at which interest in the investment property including the associated fixture and fittings, utilised in the business would have been transferred at the date of valuation assuming it will continue in its present use. The director considers that although the valuation took place post year end, there is no material difference between this valuation and the value as at 30 September 2016.

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

	30 September 2016 £	5 April 2015 £
Historic cost	5,731,325	5,711,225
Accumulated depreciation and impairments	(4,831,325)	(997,249)
	<b>900,000</b>	<b>4,713,976</b>

### 11. Debtors

	30 September 2016 £	5 April 2015 £
Amounts owed by group undertakings	132,540	76,000
	<b>132,540</b>	<b>76,000</b>

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 12. Cash and cash equivalents

	30 September 2016 £	5 April 2015 £
Cash at bank and in hand	29,451	29,359
	<u>29,451</u>	<u>29,359</u>

### 13. Creditors: Amounts falling due within one year

	30 September 2016 £	5 April 2015 £
Bank loans	2,757,587	3,047,476
Amounts owed to group undertakings	1,079,477	1,153,015
Corporation tax	26,963	23,631
Other creditors	10,793	5,793
	<u>3,874,820</u>	<u>4,229,915</u>

#### Secured loans

The bank loan is secured by a standard security over the following properties, Ernelsthorp Care Home and China Cottage Nursing Home included within land and buildings together with a debenture over all the assets of the Company and its subsidiaries.

### 14. Deferred taxation

	2016 £
At beginning of period	(27,564)
Charged to the statement of income and retained earnings	14,327
<b>At end of period</b>	<u><u>(13,237)</u></u>

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	30 September 2016 £	5 April 2015 £
Accelerated capital allowances	(13,237)	(27,564)
	<u>(13,237)</u>	<u>(27,564)</u>

### 15. Share capital

	30 September 2016 £	5 April 2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Called up share capital reserve represents the nominal value of the shares issued.

### 16. Reserves

#### Profit & loss account

The profit and loss account represents the accumulated profits and losses on the activities of the company.

### 17. Related party transactions

The company has taken advantage of the exemption within FRS 102 not to disclose transactions entered into between wholly owned members of the group.

### 18. Controlling party

The Company's ultimate parent company is Embankment Holdings Limited. The parent undertaking of the largest and smallest group for which consolidated financial statements are prepared is Embankment Holdings Limited (company number 04754910). Consolidated financial statements are available from Companies House. Embankment Holdings Limited's registered office is the same as Trafalgar Enterprise Holdings Limited.

Embankment Holdings Limited is controlled by M J Hughes, the director.

# TRAFALGAR ENTERPRISE HOLDINGS LIMITED

## Notes to the financial statements For the period ended 30 September 2016

### 19. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 6 April 2014. The impact of the transition to FRS 102 is as follows:

#### Reconciliation of equity at 6 April 2014

	Note	£
Equity at 6 April 2014 under previous UK GAAP		445,597
<b>Equity shareholders funds at 6 April 2014 under FRS 102</b>		<b>445,597</b>

#### Reconciliation of equity at 5 April 2015

	Note	£
Equity at 5 April 2015 under previous UK GAAP		561,858
Transitional adjustment 1		154,236
<b>Equity shareholders funds at 5 April 2015 under FRS 102</b>		<b>716,094</b>

#### Reconciliation of profit and loss account for the year ended 5 April 2015

	£
Profit for the year under UK GAAP	176,261
Transitional adjustment 1	154,236
<b>Profit for the period ended 5 April 2015 under FRS 102</b>	<b>330,497</b>

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

- 1 The freehold property and associated fixtures and fittings has previously been held at cost as per the requirements for investment properties leased between two group companies. Under FRS 102 Section 16, investment properties should be accounted for at fair value regardless of the relationship between the lessee and lessor. As a result of this the property has been accounted for on transition at the fair value of the property in order to comply with the new requirements. The director has taken Section 35 transition to exemption to use the deemed net book value on date of transition as its fair value at this point. There has therefore been no change in the reserves at 6 April 2014. During the year to 5 April 2015 depreciation was charged on these assets of £154,236. Given that Investment property is held at valuation no allowance for depreciation should be made and so this balance has been reversed. The impact of this reversal can be seen in the above table.