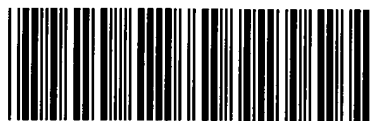


BISHOPSGATE PREMIER HOLDINGS LIMITED

Annual Report and Consolidated Financial Statements

For the year ended 31 December 2015

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Bishopsgate Premier Holdings Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

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Bishopsgate Premier Holdings Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M H Filer
Wilmington Trust SP Services (London) Limited

SECRETARY

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

REGISTERED OFFICE

c/o Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

LAWYERS

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

BANKERS

Citibank N.A
London Branch
5 Carmelite Street
London
EC4Y 0PA

AUDITOR

SRG LLP
London

Bishopsgate Premier Holdings Limited

STRATEGIC REPORT

For the year ended 31 December 2015

The directors present their strategic report on the affairs of Bishopsgate Premier Holdings Limited (the “Company”) and the consolidated results of the Company and its subsidiaries (the “Group”).

REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS

The results for the year and the state of the Company’s and Group’s affairs are set out in the accompanying financial statements. There are no financial key performance indicators for the Company and the Group.

Despite the uncertain financial markets affecting the real estate investment market and the volatility of property market values, the combined market value of the Group’s investment properties at 31 December 2015 increased in value by £48.15m (2014: £25.70m increase). The resulting book value of the properties was £635.5m (2014: £587.35m) compared to a historical cost of £424m. The directors have considered and discussed the valuations with DTZ Debenham Tie Leung Limited, which carried out the valuations, and the directors have concluded that no permanent impairment in the value of the investment properties has occurred. Consequently, the balance sheet shows a surplus in the revaluation reserve of £211.5m (2014: £163.35m surplus).

The Group’s loss for the year amounted to £3.24m (2014: loss of £3.05m). The loss continued to be primarily due to the increased funding costs incurred during the year. This mismatch is forecast to reduce over future years to gradually bring the Company in to a profitable position by the time the Bonds are due for repayment in October 2034. Operating profit of the company for the year increased by £1m (2014: £1m increase) primarily due to higher rental income over the prior year.

Equity shareholders’ funds have increased to £165.76m (2014: £120.85m) primarily due to the continued increase in the market value of the Group’s investment properties.

The directors have not recommended the payment of a dividend (2014: £nil).

FUTURE DEVELOPMENTS

The Group continues to hold two investment properties located in the City of London through subsidiary undertakings.

The directors do not have any current plans to change the existing activities of the Group.

The Properties

Premier Place is a freehold property located in Devonshire Square, London. A Head Lease over Premier Place is held by Premier Place Finance Limited (“PPFL”), a group undertaking.

280 Bishopsgate is held on long leasehold from The Mayor and Commonalty and Citizens of the City of London under a Building Head Lease. There is a separate head lease in relation to a canopy on the Bishopsgate frontage of the property at first floor level and above (the “Air Space Head Lease”). The Air Space Head Lease must remain within the same ownership as the Building Head Lease. A Head Lease over 280 Bishopsgate is held by 280 Bishopsgate Finance Limited (“280 BFL”), a group undertaking.

PPFL and 280 BFL are the Landlords of Premier Place and 280 Bishopsgate respectively.

The Royal Bank of Scotland plc (“RBS”) is the Occupational Tenant of both Premier Place and 280 Bishopsgate on fully repairing and insuring Occupational Leases expiring in September 2034. The Occupational Leases provide that at all times during the 30 year term, the Occupational Tenant will be RBS or an assignee guaranteed by RBS. Pursuant to the Occupational Leases, the Occupational Tenant has an obligation to reinstate the property to its original condition, including in respect of uninsured loss.

The Group has appointed DTZ Debenham Tie Leung Limited as the Property Manager to carry out certain property services in relation to each property on behalf of the Landlords.

Citicorp Trustee Company Limited acts as the Landlord Security Trustee to hold the security granted by PPFL and 280 BFL on behalf of certain secured creditors under the financing obtained by BPFP. The leases over Premier Place and 280 Bishopsgate form part of this security.

Bishopsgate Premier Holdings Limited

STRATEGIC REPORT continued

For the year ended 31 December 2015

PRINCIPAL RISKS AND UNCERTAINTIES

Funding

The Group continues to be funded by Bishopsgate Premier Finance plc which has issued £451.3m of 5.409189% Class A fixed rate bonds (the "Bonds") (with a semi annual RPI adjustment), due for repayment in October 2034. These funds have then been used to finance the properties held by the Group.

Tenancy risk

The Occupational Tenant has rented out the properties on fully repairing and insuring Occupational Leases expiring in September 2034. The leases in favour of the Occupational Tenant are not excluded from the renewal provisions of the Landlord and Tenant Act 1954. Therefore the Occupational Tenant would potentially have a statutory right to renewal of the Occupational Leases for a term of up to 15 years on expiry of the contractual term of the Occupational Leases.

The Occupational Leases provides that at all times during the 30 year term the Occupational Tenant will be RBS or an assignee guaranteed by RBS. Pursuant to the Occupational Lease the Occupational Tenant has an obligation to reinstate, including in respect of uninsured loss.

The rent payable under the Occupational Lease is subject to review each year on 25 March and 29 September by reference to the All Items Retail Price Index ("RPI") published by the UK's Office of National Statistics.

Interest rate risk

The Group has managed its exposure to interest rate risk by matching the RPI adjusted fixed rate index linked rental streams with the RPI adjusted fixed rate index linked Bonds issued.

The Group has not entered into any swaps or other derivatives for hedging or investment purposes.

Property management risk

The Group has appointed DTZ Debenham Tie Leung Limited as property manager and will have the power to replace such property manager in the event of breach of the relevant Property Management Agreement. The Property Manager advises the Group in relation to the property management of the properties.

Repayment risk

Up until the interest payment date falling in October 2034 the ability of the Group to meet its obligations under the Bonds is dependent on receipt by it of rental payments from the Occupational Tenants under the Occupational Leases.

Prior to or following the enforcement of the security created pursuant to the transaction, the Group will not have any other funds available to it to meet its obligations under the Bonds and in respect of any payment ranking in priority to, or *pari passu* with, the Bonds.

However, the net proceeds of sale of the Head Leases or amounts raised on any refinancing of the same are expected to provide the primary source of funds for the Landlords to repay the principal and any remaining accrued interest in respect of the intercompany loans and thus enable Bishopsgate Premier Finance Plc to repay the principal and any remaining accrued interest in respect of the Bonds.

The Landlords have each entered into an agreement to grant an option to third parties to acquire the Head Leases should those parties pay for the option to be granted. To date, the Landlords have not received any such payments to require the Landlords to grant the options and so no options have yet been granted to those third parties. The Landlords have not received any correspondence, notice or communication from the parties to the option agreement, or from any other party, as to the third parties intentions regarding their rights under the option agreement.

EMPLOYEES

Apart from the directors, the Company and Group have no employees.

Bishopsgate Premier Holdings Limited

STRATEGIC REPORT continued

For the year ended 31 December 2015

GOING CONCERN

The Company is primarily funded by intercompany loans with other members of the Group. The Group continues to be funded primarily by the Bonds, which have been used to finance the properties held by the Group.

The current net liability position of the Company has been caused by the Company incurring certain operational expenses. These accumulated losses are expected to reverse in the future when dividends are paid by subsidiary undertakings.

Notwithstanding the current positive net asset position of the Group, the ability of the Group to meet its obligations, primarily on the Bonds issued, prior to the interest payment date falling in October 2034, is dependent on receipt by the Group of rental payments from the Occupational Tenant under the relevant Occupational Lease, rather than being dependent on refinancing proceeds or realisation proceeds in respect of the investment properties which are subject to Occupational Leases until September 2034.

The Landlords have each entered into an agreement to grant an option to third parties to acquire the Head Leases should those parties pay for the option to be granted. To date, the Landlords have not received any such payments to require the Landlords to grant the options and so no options have yet been granted to those third parties. The Landlords have not received any correspondence, notice or communication from the parties to the option agreement, or from any other party, as to the third parties intentions regarding their rights under the option agreement.



Mignon Clarke for and on behalf of

Wilmington Trust SP Services (London) Limited

Director

30 September 2016

Bishopsgate Premier Holdings Limited

DIRECTORS' REPORT

For the year ended 31 December 2015

The directors present their report on the affairs of the Company and the consolidated results of the Group, together with the financial statements and auditor's report for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

Bishopsgate Premier Holdings Limited acts as the ultimate holding company of the Group.

The Company continues to hold a direct investment in Bishopsgate Premier Intermediate Holdings Limited which in turn holds direct investments in Bishopsgate Premier Finance Plc, Villa Property Holdings Limited and Ivymount Limited.

Ivymount Limited holds a direct investment in Holdmile Limited which in turn holds direct investments in Drybarn Limited and Premier Place Finance Limited. Drybarn Limited holds a direct investment in 2 ½ Devonshire Square Limited. The main asset of this subgroup of companies is a freehold investment property known as Premier Place which is located in Devonshire Square, London.

Villa Property Holdings Limited holds a direct investment in Euro Baltic Properties Limited which in turn holds a direct investment in 280 Bishopsgate Limited and 280 Bishopsgate Finance Limited. 280 Bishopsgate Limited holds a direct investment in 280 Bishopsgate Property Investments Limited. The main asset of this subgroup of companies is a leasehold investment property known as 280 Bishopsgate which is located in Bishopsgate, London.

Bishopsgate Premier Finance Plc ("BPFP") is a special purpose company which has issued bonds for the purpose of granting inter-company loans and funding for the properties held by the Group.

DIVIDENDS

The directors do not recommend the payment of a dividend (2014: £nil).

DIRECTORS

The directors who served throughout the year are as follows:

M H Filer

Wilmington Trust SP Services (London) Limited

SECRETARY

Wilmington Trust SP Services (London) Limited acted as secretary throughout the year.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all steps that he/she ought to have taken as director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act of 2006.

SRG LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Mignon Clarke for and on behalf of

Wilmington Trust SP Services (London) Limited

Director

30 September 2015

Bishopsgate Premier Holdings Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 December 2015

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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) 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 Company and the Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BISHOPSGATE PREMIER HOLDINGS LIMITED

We have audited the Group and parent Company financial statements of Bishopsgate Premier Holdings Limited for the year ended 31 December 2015 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS).

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, 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 December 2015 and of the Group's loss before other comprehensive income for the year for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS); 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 the information given in the Strategic Report and the Directors' Report for the financial year 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company's 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.

Haydn Wood BA FCA (Senior Statutory Auditor)
for and on behalf of SRG LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 September 2016

Bishopsgate Premier Holdings Limited**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2015**

	Notes	2015 £'000	2014 £'000
TURNOVER	1	33,224	32,516
Cost of sales	3	(973)	(1,051)
		<hr/>	<hr/>
GROSS PROFIT		32,251	31,465
Administrative expenses		(768)	(783)
		<hr/>	<hr/>
OPERATING PROFIT		31,483	30,682
Interest receivable and similar income	4	659	9
Interest payable and similar charges	5	(34,680)	(33,931)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(2,538)	(3,240)
Income tax expense	7	(131)	(1)
		<hr/>	<hr/>
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(2,669)	(3,241)
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME			
Net gain on property revaluation		41,500	48,150
Deferred tax for the year		(4,285)	(3,473)
		<hr/>	<hr/>
		37,215	44,677
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS		<hr/> <hr/> 34,546	<hr/> <hr/> 41,436

The notes on pages 13 to 25 form part of these financial statements

Bishopsgate Premier Holdings Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	31 December 2015 £'000	31 December 2014 £'000	1 January 2014 £'000
FIXED ASSETS				
Intangible assets	9	5,181	5,771	6,361
Tangible assets	10	677,000	635,500	587,350
		<u>682,181</u>	<u>641,271</u>	<u>593,711</u>
CURRENT ASSETS				
Debtors	12	533	511	305
Cash		13,030	12,095	11,930
		<u>13,563</u>	<u>12,606</u>	<u>12,235</u>
CREDITORS: amounts falling due within one year	13	(8,473)	(8,212)	(7,946)
NET CURRENT ASSETS		<u>5,090</u>	<u>4,394</u>	<u>4,289</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>687,270</u>	<u>645,664</u>	<u>598,000</u>
CREDITORS: amounts falling due after more than one year	14	(494,743)	(487,683)	(481,454)
NET ASSETS		<u>192,528</u>	<u>157,982</u>	<u>116,546</u>
CAPITAL AND RESERVES				
Called up share capital	16	-	-	-
Retained earnings		192,528	157,982	116,546
EQUITY SHAREHOLDERS' FUNDS		<u>192,528</u>	<u>157,982</u>	<u>116,546</u>

These financial statements of Bishopsgate Premier Holdings Limited, Company Registration 5183091 on pages 8 to 25 were approved and authorised for issue by the directors on 30 September 2016 and signed on its behalf by:



Mignon Clarke for and on behalf of

Wilmington Trust SP Services (London) Limited

Director

Bishopsgate Premier Holdings Limited**COMPANY STATEMENT OF FINANCIAL POSITION****At 31 December 2015**

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Investments	11	-	-
CURRENT ASSETS			
Cash and cash equivalents		1	1
		<u>1</u>	<u>1</u>
CREDITORS: amounts falling due within one year	13	(150)	(133)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(149)</u>	<u>(132)</u>
NET LIABILITIES		<u>(149)</u>	<u>(132)</u>
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Profit and loss account		(149)	(132)
EQUITY SHAREHOLDERS' DEFICIT		<u>(149)</u>	<u>(132)</u>

These financial statements of Bishopsgate Premier Holdings Limited, Company Registration 5183091 on pages 8 to 25 were approved and authorised for issue by the directors on 30 September 2016 and signed on its behalf by:



Mignon Clarke for and on behalf of

Wilmington Trust SP Services (London) Limited

Director

The notes on pages 13 to 25 form part of these financial statements

Bishopsgate Premier Holdings Limited**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the year ended 31 December 2015**

Group	Share capital	Retained earnings	Total
	£'000	£'000	£'000
At 1 January 2014	-	116,546	116,546
Loss for the year	-	(3,241)	(3,241)
Other comprehensive income for the year	-	44,677	44,677
At 31 December 2014	-	157,982	157,982
Loss for the year	-	(2,669)	(2,669)
Other comprehensive income for the year	-	37,215	37,215
At 31 December 2015	-	192,528	192,528

COMPANY STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2015**

Company	Share capital	Retained deficit	Total
	£'000	£'000	£'000
At 1 January 2014	-	(118)	(118)
Loss for the year	-	(14)	(14)
At 31 December 2014	-	(132)	(132)
Loss for the year	-	(17)	(17)
At 31 December 2015	-	(149)	(149)

Bishopsgate Premier Holdings Limited**CONSOLIDATED STATEMENT OF CASH FLOW****For the year ended 31 December 2015**

		2015	2014
	Notes	£'000	£'000
Net cash inflow from operating activities	19	32,167	31,324
Returns on investments and servicing of finance			
Interest received and other income		659	9
Interest paid		<u>(34,680)</u>	<u>(31,168)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(31,232)</u>	<u>(31,159)</u>
Net increase in cash and cash equivalents		935	165
Cash and cash equivalents at the beginning of the year		<u>12,095</u>	<u>11,930</u>
Cash and cash equivalents at 31 December		<u>13,030</u>	<u>12,095</u>

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and prior year.

Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as adopted by the European Union.

For periods up to and including the year ended 31 December 2014, the company its financial statements in accordance with UK generally accepted accounting practice.

These financial statements for the year ended 31 December 2015 are the first time the company has prepared in accordance with IFRS.

Going concern

The Company's business activities, future developments and principal risks and uncertainties are set out in the Directors Report and Strategic Report.

The Company is primarily funded by intercompany loans with other members of the Group. The Group continues to be funded primarily by the Bonds, which have been used to finance the properties held by the Group.

Notwithstanding the current positive net asset position of the Group, the ability of the Group to meet its obligations, primarily on the Bonds, prior to the interest payment date falling in October 2034, is dependent on receipt by the Group of rental payments from the Occupational Tenant under the relevant Occupational Lease, rather than being dependent on refinancing proceeds or realisation proceeds in respect of the investment properties which until September 2034 are subject to Occupational Leases.

As there has been no identifiable deterioration in the ongoing cash flows from the investment properties, and after making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiaries for the year then ended. Acquisitions are accounted for under the acquisition method.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover represents rent, service charges and insurance receivable in the year and is accounted for on an accruals basis. Turnover is derived from the United Kingdom.

Cost of sales

Cost of sales represents service charges, insurance and ground rent and is accounted for on an accruals basis.

Interest income and expense

Interest income and expense is accounted for on an accruals basis, by reference to the balance outstanding on the underlying financial asset or liability and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liability's net carrying amount.

Taxation

Current tax, including United Kingdom corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Financial liabilities and equity

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.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in other comprehensive income in the period of which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of the change in use. If the owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Bonds issued

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest rate method.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

2. DIRECTORS AND EMPLOYEES

None of the directors received any emoluments for their services to the Company or Group during the current year apart from Wilmington Trust SP Services (London) Limited which received £4k (2014: £4k) for corporate management services provided to the Company and £34k (2014: £34k) to the Group as a whole. Mr M H Filer is a director of Wilmington Trust SP Services (London) Limited.

None of the directors had any interest in the Company or Group at the year end or prior year end.

None of the directors had any material interest in any contract of significance in relation to the business of the Company or Group in the current or prior year.

Apart from the directors of the Company, neither the Company nor the Group have any employees (2014: none).

3. COST OF SALES

	Group 2015 £'000	Group 2014 £'000
Service charges	475	567
Ground rent	374	374
Insurance	124	110
	<u>973</u>	<u>1,051</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Group 2015 £'000	Group 2014 £'000
Other income	650	-
Interest on bank balance	<u>9</u>	<u>9</u>
	<u>659</u>	<u>9</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2015 £'000	Group 2014 £'000
Interest on Bonds	<u>34,680</u>	<u>33,931</u>

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	Group 2015 £'000	Group 2014 £'000
The loss on ordinary activities before taxation is stated after charging:		
Auditor's fees for audit of the Group's accounts	54	50
Auditor's fees for audit of the Company's accounts	8	8
Auditors fee for taxation services	-	43
Amortisation of goodwill	<u>590</u>	<u>590</u>

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	Group 2015 £'000	Group 2014 £'000
The tax charge comprises:		
Current year	-	-

Factors affecting tax charge:

The differences between total current tax shown on the face of the Profit and Loss and the amount calculated by applying the standard rate of UK corporation tax to loss before tax is as follows:

	Group 2015 £'000	Group 2014 £'000
Loss on ordinary activities before tax	(2,538)	(3,240)
Corporation tax at 21.00% (2014: 21.5%)	(533)	(696)
Expenses not deductible for tax purposes	124	128
Utilisation of brought forward tax losses	-	319
Unutilised tax losses carried forward	540	(887)
Charge for the year	131	-

A deferred tax asset has not been recognised in respect of the tax losses carried forward and fixed asset timing differences as there is insufficient evidence the asset will be recovered. The amount of losses not recognised is £10.0m (2014: £12.5m).

8. COMPANY'S LOSS FOR THE YEAR

As permitted by section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. The Company's loss for the financial year was £14k (2014: £14k loss).

9. INTANGIBLE FIXED ASSETS

	Group 2015 £'000	Group 2014 £'000
Goodwill		
Net book value at 1 January	5,771	6,361
Amortisation	(590)	(590)
Net book value at 31 December	5,181	5,771

Goodwill relates to the acquisition of the Ivymount and Villa Property Holdings groups.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

10. TANGIBLE FIXED ASSETS

	Group 2015 £'000	Group 2014 £'000
Investment properties		
At 1 January	635,500	587,350
Gain on revaluation	41,500	48,150
At 31 December	677,000	635,500

The investment properties were revalued at 31 December 2015 by qualified professional valuers working for DTZ Debenham Tie Leung, Chartered Surveyors, acting in the capacity of external valuers. The valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors ("RICS").

The properties were valued on the basis of Market Value. Their opinion of the market value was primarily derived using comparable recent market transactions on arm's length terms. The valuations were carried out in accordance with the RICS Valuation Standards.

These valuations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve. The revaluations during the year ended 31 December 2015 resulted in an increase in the value of the investment properties of £41,500,000. The historical cost of the properties was £424,000,000.

Call Option to buy property

On 30 November 2004 280 Bishopsgate Finance Limited and Premier Place Finance Limited ('the Grantors'), two subsidiary companies of the Group, entered into agreements to grant a call option to 280 Bishopsgate Reversionary Interest Limited and Premier Place Reversionary Interest Limited (the "Grantees") respectively under which the Grantees could buy the properties from the Grantors either on maturity or at an earlier date under certain terms and conditions. Under the terms of the agreements the options will only be granted by the Grantors on receiving a written request for the options to be granted from the Grantees and on the payment of an agreed amount of consideration. Once the options are granted the Grantees can only exercise each option if both options are exercised simultaneously.

To date the Grantors have not received a written request for the grant of the options nor received payment of the required consideration. The Directors do not consider that the requirements under the agreement to allow the options to be granted have been met and therefore do not consider that a value can readily be attributed to the potential value for the options which have not yet been granted.

The terms of the early purchase options and the maturity options each specify the aggregate purchase price at which they can be exercised, this price must be sufficient to be able to pay down all the liabilities relating to the transaction. The capped strike price also includes certain costs associated with the sale of the properties.

The early purchase option can only be exercised on or before 9 July 2033.

The maturity option can only be exercised between 10 July 2033 and 9 January 2034. If the Grantees fails to exercise the option within 5 business days of 9 January 2034 the options will cease to be effective and the right buy the properties will be extinguished.

11. FIXED ASSET INVESTMENTS

	Company 2015 £'000	Company 2014 £'000
Investment in subsidiaries		
At 1 January	-	-
At 31 December	-	-

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

11. FIXED ASSET INVESTMENTS (continued)

The Company holds one (2014: one) £1 ordinary share in Bishopsgate Premier Intermediate Holdings Limited.

The members of the Group are as follows:

Company	Country of incorporation	Class of shares and % held	Activity
Bishopsgate Premier Intermediate Holdings Limited	United Kingdom	Ordinary 100% held	Intermediate holding company
Bishopsgate Premier Finance Plc*	United Kingdom	Ordinary 100% held	Financing company
Villa Property Holdings Limited*	British Virgin Islands	Ordinary 100% held	Intermediate holding company
Ivymount Limited*	British Virgin Islands	Ordinary 100% held	Intermediate holding company
Euro Baltic Properties Limited*	United Kingdom	Ordinary 100% held	Intermediate holding company
280 Bishopsgate Limited*	United Kingdom	Ordinary 99.99% held	Intermediate holding company
280 Bishopsgate Finance Limited*	United Kingdom	Ordinary 100% held	New landlord property company for 280 Bishopsgate
280 Bishopsgate Property Investments Limited*	United Kingdom	Ordinary 100% held	Old landlord property company for 280 Bishopsgate
Holdmile Limited*	United Kingdom	Ordinary 100% held	Intermediate holding company
Drybarn Limited*	United Kingdom	Ordinary 100% held	Old landlord property company for Premier Place
Premier Place Finance Limited*	United Kingdom	Ordinary 100% held	New landlord property company for Premier Place
2 ½ Devonshire Square Limited*	United Kingdom	Ordinary 100% held	Trustee holding legal title to the Premier Place property

Subsidiaries marked with (*) are held indirectly.

Bishopsgate Premier Holdings Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2015****12. DEBTORS**

	Group 2015 £'000	Group 2014 £'000
Prepayments and accrued income	533	511

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Amounts owed to group undertakings	-	-	150	133
Other creditors	323	217	-	-
Accruals and deferred income	8,019	7,995	-	-
Income tax	131	-	-	-
	<u>8,473</u>	<u>8,212</u>	<u>150</u>	<u>133</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2015 £'000	Group 2014 £'000
Bonds issued	451,310	451,310
Rolled up Bond interest payable	<u>31,369</u>	<u>28,594</u>
	482,679	479,904
Deferred Tax Payable	<u>12,064</u>	<u>7,779</u>
	<u>494,743</u>	<u>487,683</u>

The Bonds are listed on the Irish Stock Exchange. The Bonds are secured against the investment properties and were issued on 5 April 2005 with a repayment date of October 2034. The funds raised have been used to provide funding for the investment properties owned by the Group. The Bonds are non-amortising and the full amount of the principal is repayable only on maturity in October 2034 or on a refinancing or sale of the properties.

Interest on the Bonds is calculated and accrues on the principal outstanding on each quarterly interest payment date in January, April, July and October at a fixed rate of 5.41% per annum. In addition, the Bonds attract an additional "compensation amount", which is adjusted semi-annually by reference to the RPI index factor applicable to the relevant bond interest period. The element of the accrued interest to be paid on the interest payment date is calculated at 5.08% per annum on the outstanding Bond principal. An element of the accrued interest is not due to be paid on each interest payment date and will be rolled up. It will become payable on the date the Bond principal is repaid. The rolled up interest also attracts interest at a fixed rate of 5.41% per annum.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

15. FINANCIAL RISK MANAGEMENT

The principal risks of the Group are set out in the Directors' Report and the Strategic Report.

The Group's financial instruments comprise cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The Company has not entered into any derivative transactions.

The directors have considered the financial risks affecting the Group and have included the relevant disclosures of interest rate and repayment risks in the Directors' Report and the Strategic Report.

Capital risk management

The Group's overall strategy remains unchanged from the prior year.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 14, and equity attributable to equity holders of the Group, comprising share capital and retained earnings. The Directors continue to monitor the balance of the overall capital structure. The Group is not subject to any external capital requirements.

Fair values

The fair values together with the carrying amounts shown in the balance sheet of the other amounts are as follows:

	Notes	Carrying amount 2015 £'000	Fair value 2015 £'000	Carrying amount 2014 £'000	Fair value 2014 £'000
Financial assets at amortised cost:					
Debtors	12	533	533	511	511
Cash and cash equivalents		<u>13,030</u>	<u>13,030</u>	<u>12,095</u>	<u>12,095</u>
		<u>13,563</u>	<u>13,563</u>	<u>12,606</u>	<u>12,606</u>
Financial liabilities at amortised cost:					
Bonds issued	14	451,310	533,000	451,310	522,000
Other creditors	13, 14	<u>39,711</u>	<u>39,711</u>	<u>36,806</u>	<u>36,807</u>
		<u>491,021</u>	<u>572,711</u>	<u>488,116</u>	<u>558,807</u>

The fair values of amounts receivable from group undertakings and Class A fixed rate bonds are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

15. FINANCIAL RISK MANAGEMENT (continued)

Interest rate re-pricing analysis

The Group has managed its exposure to interest rate risk by matching the RPI adjusted fixed rate index linked rental streams with the RPI adjusted fixed rate index linked Bonds issued. Consequently, the Group does not have any material interest rate risk.

The Group has not entered into any swaps or other derivatives for hedging or investment purposes.

The following table details the Group's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

		Fixed rate adjusted for RPI	1-3 months	Non interest bearing
2015	Total £'000	£'000	£'000	£'000
Assets				
Debtors	533	-	-	533
Cash at bank and in hand	<u>13,030</u>	-	<u>13,030</u>	-
Total assets	<u>13,563</u>	-	<u>13,030</u>	<u>533</u>
Liabilities				
Bonds issued	451,310	451,310	-	-
Other creditors	<u>39,842</u>	<u>31,369</u>	-	<u>8,473</u>
Total liabilities	<u>491,152</u>	<u>482,679</u>	-	<u>8,473</u>
		Fixed rate adjusted for RPI		
2014	Total £'000	£'000	1-3 months £'000	Non interest bearing £'000
Assets				
Debtors	511	-	-	511
Cash at bank and in hand	<u>12,095</u>	-	<u>12,095</u>	-
Total assets	<u>12,606</u>	-	<u>12,095</u>	<u>511</u>
Liabilities				
Bonds issued	451,310	451,310	-	-
Other creditors	<u>36,806</u>	<u>28,594</u>	-	<u>8,212</u>
Total liabilities	<u>488,116</u>	<u>479,904</u>	-	<u>8,212</u>

Foreign currency risk

The Group's assets and liabilities are denominated in Pounds Sterling and therefore there is minimal foreign currency risk.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

15. FINANCIAL RISK MANAGEMENT (continued)

Repayment risk

The ability of the Group to meet its obligations under the Bonds is dependent on receipt by it of rental payments from the Occupational Tenant under the relevant Occupational Lease.

The Group's policy is to manage liquidity risk through its cash and cash equivalents. As the tenor of the Bonds is designed to match the tenor of rental agreements, there are deemed to be limited liquidity risks facing the Group. Payments made by the Group are made in accordance with the priority of payments as set out in the offering circular issued in connection with the issue of the Bonds. Under these terms, payments are made quarterly.

The following table details the Group's liquidity analysis for its financial liabilities at 31 December, showing the undiscounted, contractual cash flows due. The bond interest payable is based on the outstanding principal and interest rates at the yearend calculated up to October 2034.

At 31 December 2015	Total £'000	1 to 3 months £'000	3 to 12 months £'000	In more than 1 year but not more than 5 years £'000	In more than 5 years £'000
Financial liabilities					
Bonds issued	451,310	-	-	-	451,310
Bond interest payable	<u>822,892</u>	<u>8,287</u>	<u>25,389</u>	<u>145,815</u>	<u>643,401</u>
Total financial liabilities	<u>1,274,202</u>	<u>8,287</u>	<u>25,389</u>	<u>145,815</u>	<u>1,094,711</u>

At 31 December 2014	Total £'000	1 to 3 months £'000	3 to 12 months £'000	In more than 1 year but not more than 5 years £'000	In more than 5 years £'000
Financial liabilities					
Bonds issued	451,310	-	-	-	451,310
Bond interest payable	<u>855,524</u>	<u>8,030</u>	<u>24,602</u>	<u>141,300</u>	<u>681,592</u>
Total financial liabilities	<u>1,306,834</u>	<u>8,030</u>	<u>24,602</u>	<u>141,300</u>	<u>1,132,902</u>

Credit risk

At 31 December 2015 the maximum credit risk that the Group has amounts to £13,563k (2014: £12,606k) and comprises debtors and cash and bank balances. The investment properties, which are leased to the Royal Bank of Scotland plc, are professionally valued each year and provide security for the bonds issued. There were no impaired or past due assets at year end (2014: £nil).

Market risk – commercial property values

The carrying balance of the investment properties is exposed to changes in commercial property values. A 2% increase or decrease in commercial property values would have had a £nil (2014: £nil) impact on net loss (changes in market value are recognised directly to equity) and a £11,747k (2014: £11,747k) increase or decrease in net assets respectively.

Market risk - interest rate sensitivity

The sensitivity of the Group to interest rate changes, and the resulting changes in net assets attributable to equity shareholders, is limited as the interest on the Bonds is at fixed rates. The Group has managed its exposure to interest rate risk by matching the RPI adjusted fixed rate index linked rental streams with the RPI adjusted fixed rate index linked Bonds issued. As such, no sensitivity analysis is presented.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

16. CALLED UP SHARE CAPITAL

	Company 2015 £	Company 2014 £
Called up, allotted and fully paid		
1 ordinary share of £1	<u>£1</u>	<u>£1</u>

The one ordinary share issued is held by Wilmington Trust SP Services (London) Limited under a Declaration of Trust for charitable purposes.

On 2 September 2004 the Company issued a warrant entitling the holder to subscribe for one special share in the share capital of the Company. This warrant has not yet been exercised.

The rights and restrictions attaching to the special share are as follows:

(i) Income

The holder of the special share shall not be entitled to receive any dividends that may be declared and paid by the Company.

(ii) Capital

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares) the Company's assets available for distribution among the members shall be applied in repaying to the holder of the special share 64 per cent. of the amount available for distribution, in priority to a repayment to the holders of any other class of share. The amount remaining for distribution shall be distributed on a pari passu basis between the holders of any other class of share.

(iii) Voting rights

The special share shall confer the right to receive notice of each general meeting (or resolution in writing to be executed in place of a general meeting in accordance with the Company's Articles of Association) but not to attend or vote at such meeting (or on such resolution in writing) unless the business of the meeting (or resolution in writing) includes consideration of a resolution:

- (a) to alter the share capital of the Company whether by increase, redesignation or decrease howsoever carried out;
- (b) to wind up the Company;
- (c) to declare a dividend of the Company where the amount to be paid (when aggregated with any dividends previously declared or paid at any time ("Past Dividends")) exceeds 36% of the aggregate of: (1) the profits of the Company available for distribution at that time and (2) the aggregate amount of any Past Dividends; or
- (d) directly or adversely (whether directly or indirectly) varying any of the rights attached to the special share, (each a reserved matter, in which case the holder may attend such meeting and may vote in respect of any such resolution considered at the meeting (or pursuant to such resolution in writing) and such resolution may not be passed unless the holder of the special share votes in favour thereof (or executes such resolution in writing as the case may be)).

17. RELATED PARTIES TRANSACTIONS

The Company owes £150 k (2014: 133 k) to other companies in the group. There are no other related party transactions apart from those disclosed in note 18.

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

18. CONTROLLING PARTY

The shares in Bishopsgate Premier Holdings Limited are held by Wilmington Trust SP Services (London) Limited under a Declaration of Trust for charitable purposes and the directors regard Bishopsgate Premier Holdings Limited as the ultimate parent undertaking and controlling party.

During the year Wilmington Trust SP Services (London) Limited, a director of the Company, received £4k (2014: £4k) for corporate management services provided to the Company and £34k (2014: £34k) for services to the Group as a whole.

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Operating profit	31,483	30,682
Amortisation of goodwill	590	590
(Increase)/decrease in debtors	(21)	(206)
Increase in creditors	115	258
Net cash inflow from operating activities	<u>32,167</u>	<u>31,324</u>

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2015 £'000	2014 £'000
Increase in cash in the year		935	165
Increase in rolled up bond interest payable		<u>(2,775)</u>	<u>(2,756)</u>
Change in net debt		(1,840)	(2,591)
Net debt at 1 January		<u>(467,809)</u>	<u>(465,218)</u>
Net debt at 31 December	22	<u>(469,649)</u>	<u>(467,809)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

2015	December 2014 £'000	Cashflows £'000	Rolled up bond interest payable £'000	December 2015 £'000
Net cash:				
Cash at bank and in hand	<u>12,095</u>	<u>935</u>	<u>-</u>	<u>13,030</u>
Debt:				
Debt due after 1 year	<u>(479,904)</u>	<u>-</u>	<u>(2,775)</u>	<u>(482,679)</u>
Net debt	<u>(467,809)</u>	<u>935</u>	<u>(2,775)</u>	<u>(469,649)</u>

Bishopsgate Premier Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

21. ANALYSIS OF CHANGES IN NET DEBT (Continued)

2014	December 2013 £'000	Cashflows £'000	Rolled up bond interest payable £'000	December 2014 £'000
Net cash:				
Cash at bank and in hand	<u>11,930</u>	<u>165</u>	<u>-</u>	<u>12,095</u>
Debt:				
Debt due after 1 year	<u>(477,148)</u>	<u>-</u>	<u>(2,756)</u>	<u>(479,904)</u>
Net debt	<u>(465,218)</u>	<u>165</u>	<u>(2,756)</u>	<u>(467,809)</u>

22. TRANSITION TO IFRS

This is the first year that the Group has presented its results under IFRS. IFRS has been adopted by the company for the year ended 31 December 2015. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to IFRS was 1 January 2014. Below is a reconciliation of the profit and equity resulting from changes in the accounting policies under IFRS.

	At 31 December 2014 £'000	At 1 January 2014 £'000
Reconciliation of equity		
As previously reported	165,761	120,852
Deferred tax on investment property revaluation	<u>(7,779)</u>	<u>(4,306)</u>
Reconciliation of other comprehensive income	<u>157,982</u>	<u>116,546</u>
Reconciliation of loss		
As previously reported	<u>(3,241)</u>	
As reported under IFRS	<u>(3,241)</u>	
Reconciliation of other comprehensive income		
As previously reported	-	
Revaluation of investment property	48,150	
Deferred tax	<u>(3,473)</u>	
	<u>44,677</u>	

Other adjustments arising on transition to IFRS

In addition to the transition adjustments identified above which affect profit for the financial year, the following adjustments have arisen which have had no effect on the net assets or statement of comprehensive income but which have affected the presentation of these items in the financial statements:

a) Cash flow statement

The transition from UK GAAP to IFRS has not had an impact on the individual accounts of the company.