

REGISTERED NUMBER: 05607348 (England and Wales)

Financial Statements for the Year Ended 31 December 2016

for

Basetheme Limited



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**for the Year Ended 31 December 2016**

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**Basetheme Limited**  
**Company Information**  
**for the Year Ended 31 December 2016**

**DIRECTOR:** R J Hughes

**SECRETARY:** M R Francis

**REGISTERED OFFICE:** C/O White Dove Securities Limited  
Hadfield Road  
Cardiff  
CF11 8WD

**REGISTERED NUMBER:** 05607348 (England and Wales)

**AUDITORS:** ASE Audit LLP  
Statutory Auditors & Chartered Accountants  
Rowan Court  
Concord Business Park  
Manchester  
Greater Manchester  
M22 0RR

**Basetheme Limited (Registered number: 05607348)**

**Statement of Financial Position**  
**31 December 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	5	356	1,346
Investment property	6	1,522,457	1,522,457
		<u>1,522,813</u>	<u>1,523,803</u>
<b>CURRENT ASSETS</b>			
Debtors	7	4,876	12,284
Cash at bank		10,314	12,452
		<u>15,190</u>	<u>24,736</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	(470,340)	(473,634)
<b>NET CURRENT LIABILITIES</b>		<u>(455,150)</u>	<u>(448,898)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,067,663</u>	<u>1,074,905</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(842,250)	(850,950)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(40,997)</u>	<u>(48,129)</u>
<b>NET ASSETS</b>		<u><u>184,416</u></u>	<u><u>175,826</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Fair value reserve		193,764	193,764
Retained earnings		(9,350)	(17,940)
<b>SHAREHOLDERS' FUNDS</b>		<u><u>184,416</u></u>	<u><u>175,826</u></u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the director on 25.09.2017 and were signed by:

  
.....  
R J Hughes - Director

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2016**

**1. STATUTORY INFORMATION**

Basetheme Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

There is no single principal place of business. Details of the principal activity of the company is included in the Report of the Director.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see below).

The following principal accounting policies have been applied.

**Going Concern**

At the balance sheet date, the company had net current liabilities of £455,150 (2015: £448,898). Other creditors within current liabilities include £460,000 (2015: £460,000) payable to a related party. The director has received a letter of support from the related party confirming the amounts due will not be repayable unless the company is in a position to do so. The director has also prepared forecasts which demonstrate that the company can manage its working capital and generate sufficient operating cash flows to enable it to meet its remaining liabilities as they fall due. On this basis, the director considers it appropriate to prepare the financial statements on the going concern basis.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

**Investment properties**

Investment properties are valued annually using a yield of methodology using market rental values capitalised at a market capitalisation rate, but there is an inevitable degree of judgment involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

**Property, plant and equipment assets**

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

**Turnover**

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.

**Rental income**

Rental income is recognised on an accruals basis.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 33% on cost

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Investment property**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the Fair value reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the Statement of Comprehensive Income.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the reporting statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current or deferred taxation assets and liabilities are not discounted.

**Debtors**

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

**Creditors**

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

**Finance costs**

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

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 1 (2015 - 1).

**4. AUDITORS' REMUNERATION**

	2016 £	2015 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>500</u>	<u>500</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**5. TANGIBLE FIXED ASSETS**

	Fixtures and Fittings £
<b>COST</b>	
At 1 January 2016 and 31 December 2016	22,575
<b>DEPRECIATION</b>	
At 1 January 2016	21,229
Charge for year	990
At 31 December 2016	22,219
<b>NET BOOK VALUE</b>	
At 31 December 2016	356
At 31 December 2015	1,346

**6. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 January 2016 and 31 December 2016	1,522,457
<b>NET BOOK VALUE</b>	
At 31 December 2016	1,522,457
At 31 December 2015	1,522,457

Investment properties with a carrying value of £1,350,000 (2015: £1,350,000) are pledged as security for the company loans.

Investment properties with a carrying value of £1,522,457 (2015: £1,522,457) are pledged as security as part a unlimited multilateral guarantee for the group HSBC overdraft.

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

Cost or valuation at 31 December 2016 is represented by:

	£
Valuation in 2012	242,205
Cost	1,280,252
	1,522,457

If Investment property had not been revalued it would have been included at the following historical cost:

	2016 £	2015 £
Cost	1,280,252	1,280,252

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Other debtors	4,876	12,284

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Bank loan	8,700	8,700
Taxation and social security	542	1,956
Other creditors	461,098	462,978
	<u>470,340</u>	<u>473,634</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Bank loan	58,725	67,425
Other creditors	783,525	783,525
	<u>842,250</u>	<u>850,950</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loan	23,925	32,625
Other loans	783,525	-
	<u>807,450</u>	<u>32,625</u>

HSBC Bank Plc hold an unlimited multilateral guarantee over the assets of White Dove Motor Services Limited, White Dove Contracts Limited, White Dove Securities Limited and White Dove Garages Limited. This is used as security against the loan.

The bank loan bears interest at a rate of 2.75% over base rate and is due to be repaid by March 2025.

The other loans, with Paragon Mortgages, are interest only loans which bear interest at a rate of 2.5% above LIBOR and are due to be repaid by April 2022.

**10. LEASING AGREEMENTS**

At the statement of financial position date the company had minimum lease income of £31,373 (2015: £100,733) due under non-cancellable operating leases.

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank loan	67,425	76,125
Other loans	783,525	783,525
	<u>850,950</u>	<u>859,650</u>

The bank loan and other loans are secured by a first legal charge over the investment property and fixed and floating charges over all assets.

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
200	Ordinary	£1	<u>2</u>	<u>2</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2016**

**13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Beverley Richardson FCA (Senior Statutory Auditor)  
for and on behalf of ASE Audit LLP

**14. CONTINGENT LIABILITIES**

HSBC Bank Plc holds an unlimited multi lateral guarantee over the assets of White Dove Garages Limited, White Dove Motor Services Limited, White Dove Contracts Limited, White Dove Securities Limited and Basetheme Limited. At the year end the contingent liability was £270,577 (2015: £791,496).

**15. RELATED PARTY DISCLOSURES**

**White Dove Securities Limited**

During the year under review the following transactions and balances subsisted in respect of the above named company:-

	2016 £	2015 £
Balances:		
Loan creditor	<u>460,000</u>	<u>460,000</u>

R J Hughes and M R Francis are directors of White Dove Securities Limited. The loan is interest free and is repayable on demand.