Registered Number 6531995

ST. DAVID'S (CARDIFF RESIDENTIAL) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Directors' Report for the year ended 31 December 2015

The directors present their report with the audited financial statements of St. David's (Cardiff Residential) Limited ('the Company') for the year ended 31 December 2015.

RESULTS FOR THE YEAR AND DIVIDEND

The results are set out in the Income Statement on page 4.

The directors do not recommend the payment of a dividend for the year ended 31 December 2015 (2014: £Nil).

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company has continued its business of property investment in the United Kingdom. The Company disposed of its trading properties during the year and no longer develops residential properties. The Company is incorporated in England and Wales.

POST BALANCE SHEET EVENTS

The directors note the uncertainty - and consequential volatility in the property and capital markets - since the UK voted to leave the European Union in the 23 June 2016 referendum. This uncertainty may have a negative impact on UK property valuations in future periods. The directors are unable at the current time to quantify what, if any, impact there may be on the Companies property valuations. These uncertainties are not reflected in the balance sheet as 31 December 2015.

DIRECTORS

The directors who held office during the year and up to the date of this report unless otherwise stated were:

S P Clay	(resigned 26 May 2015)
D A Fischel	
M G Butterworth	(resigned 31 December 2015)
E M G Roberts	
J G McKinnon	
D Don-Wauchope	
J Wilkinson	
S C Parsons	
A M Christian-West	
R J Loveland	(appointed 26 May 2015)
J S Sahota	(appointed 26 May 2015)
C Flinn	(appointed 30 March 2016)

INDEMNITY

The Company has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

SMALL COMPANIES EXEMPTION

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

STRATEGIC REPORT

The Company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a Strategic Report.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each director in office at the date the Directors' Report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all reasonable steps to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

Directors' Responsibilities for the year ended 31 December 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 as adopted by the EU (IFRSs). 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 of the profit or loss of the Company 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; 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 and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Registered Office
5 Strand
London
WC2N 5AF

D. Don-Wauchope

D Don-Wauchope
Director
8 August 2016

D A Fischel
Director
8 August 2016

Registered in England and Wales
Registered number: 6531995

Independent Auditor's Report to the Members of St. David's (Cardiff Residential) Limited for the year ended 31 December 2015

We have audited the financial statements of St. David's (Cardiff Residential) Limited for the year ended 31 December 2015 which comprise the *Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash flows* and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 set out on page 2, 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 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. In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited 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. 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 Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 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, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing the Strategic Report and take advantage of the small companies exemption in preparation of the Directors' Report.

Ernst & Young LLP

Daniel Saunders (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
London
11 AUGUST 2016

Income Statement for the year ended 31 December 2015

	Notes	2015 £	2014 £
Revenue	4	**321,791**	2,386,814
Net property income	4	**83,345**	160,452
Property management and administrative income / (expenses)		**5,567**	(1,749)
Surplus on revaluation of investment properties	5	**450,000**	-
Operating profit		**538,912**	158,703
Interest income	7	**6,415**	5,916
Interest expense	7	**(99)**	(40)
Profit before tax		**545,228**	164,579
Income tax	8	**(94,288)**	(35,373)
Profit for the financial year		**450,940**	129,206

Statement of comprehensive income for the year ended 31 December 2015

	2015 £	2014 £
Profit for the financial year	**450,940**	129,206
Other comprehensive income for the financial year	**-**	-
Total comprehensive income for the financial year	**450,940**	129,206

All amounts are derived from continuing activities.

Balance Sheet as at 31 December 2015

	Notes	2015 £	2014 £ *(restated)*	2013 £ *(restated)*
Non-current assets				
Investment properties	5	**1,450,000**	1,000,000	1,000,000
Trade and other receivables	10	**250,000**	300,006	350,000
Total non-current assets		**1,700,000**	1,300,006	1,350,000
Current assets				
Trading properties	9	**-**	180,000	1,540,000
Trade and other receivables	10	**64,050**	110,019	224,784
Cash and cash equivalents	11	**2,023,298**	1,754,024	1,698,830
Total current assets		**2,087,348**	2,044,043	3,463,614
Total assets		**3,787,348**	3,344,049	4,813,614
Current liabilities				
Trade and other payables	12	**(785,808)**	(854,449)	(2,453,220)
Total liabilities		**(785,808)**	(854,449)	(2,453,220)
Non-current liabilities				
Deferred tax	8	**(261,000)**	(200,000)	(200,000)
Total non-current liabilities		**(261,000)**	(200,000)	(200,000)
Net assets		**2,740,540**	2,289,600	2,160,394
Equity				
Ordinary shares	14	**1**	1	1
Retained earnings		**2,740,539**	2,289,600	2,160,393
Total Equity		**2,740,540**	2,489,600	2,360,394

The financial statements on pages 4 to 14 were approved by the Board of Directors on 8 August 2016 and were signed on its behalf by:

D. Don-Wauchope

D Don-Wauchope
Director
8 August 2016

D A Fischel
Director
8 August 2016

Registered in England and Wales
Registered number: 6531995

Statement of changes in equity

	Ordinary shares £	Retained earnings £	Total £
At 1 January 2014 (as previously stated)	1	1,289,183	1,289,184
Adjustment	-	871,210	871,210
At 1 January 2014 (restated)	1	2,160,393	2,160,394
Total comprehensive income for the year ended 31 December 2014	-	129,206	129,206
At 31 December 2014 (restated)	1	2,289,599	2,289,600
Total comprehensive income for the year ended 31 December 2015	-	450,940	450,940
At 31 December 2015	**1**	**2,740,539**	**2,740,540**

Statement of Cash Flows for the year ended 31 December 2015

	2015 £	2014 £
Operating activities		
Profit before tax	**545,228**	164,579
Adjustments to reconcile profit before tax to net cash flows:		
Interest income	**(6,415)**	(5,916)
Interest expense	**99**	40
Surplus on revaluation of investment properties	**(450,000)**	-
Working capital adjustments:		
Decrease in receivables	**95,975**	164,759
Decrease in payables	**(2,811)**	(1,952,340)
Net cash generated from / (used in) operations	**182,076**	(1,628,878)
Disposal of trading properties	**180,000**	2,002,079
Interest received	**6,415**	5,916
Interest paid	**(99)**	(40)
Income tax paid	**(99,118)**	(323,883)
Net cash flows from operating activities	**87,198**	1,684,072
Net movement in cash and cash equivalents in the year	**269,274**	55,194
Cash and cash equivalents at 1 January	**1,754,024**	1,698,830
Cash and cash equivalents at 31 December	**2,023,298**	1,754,024

1. Basis of preparation

These financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs). The financial statements are prepared under the historical cost convention.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015. The financial statements are prepared in Sterling.

2. Significant accounting policies

The accounting policies which follow set out those which apply in preparing the financial statements for the year ended 31 December 2015.

(a) Investment properties

Investment properties are those properties, either owned by the Company or where the Company is a lessee under a finance lease, that are held either to earn rental income or for capital appreciation, or both. In addition, properties held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition at cost, investment properties are carried at their fair values based on market value determined by professional independent valuers at each reporting date. Properties are treated as acquired at the point when the Company assumes the significant risks and returns of ownership and as disposed when these are transferred to the buyer. This generally occurs on unconditional exchange or on completion, particularly if this is expected to occur significantly after exchange or the Limited Partnership has significant outstanding obligations between exchange and completion. Additions to investment properties consist of costs of a capital nature and, in the case of investment properties under development, capitalised interest. Certain internal staff and associated costs directly attributable to the management of major schemes during the construction phase are also capitalised.

The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the income statement as a valuation surplus or deficit. The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

When the Company begins to redevelop an existing investment property for continued future use as an investment property, the property continues to be held as an investment property. When the Company begins to redevelop an existing investment property with a view to sell, the property is transferred to trading properties and held as a current asset. The property is re-measured to fair value as at the date of the transfer with any gain or loss being taken to the income statement. The re-measured amount becomes the deemed cost at which the property is then carried in trading properties.

(b) Trading properties and long-term development contracts

Trading properties are those properties held for sale or those being developed with a view to sell and are shown at the lower of cost and net realisable value. Proceeds received on the sale of trading properties are recognised within Revenue when the significant risks and rewards of ownership have been transferred to the buyer.

(c) Trade and other receivables

Trade and other receivables are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables concerned. If collection is expected in more than one year, they are classified as non-current assets.

Property sales receivable relates to amounts due in relation to sale of trading properties.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are deducted from cash and cash equivalents for the purpose of the statement of cash flows.

(e) Revenue

Rental income from investment property leased out under an operating lease is recognised in the Income Statement on a straight-line basis over the term of the lease. Gross property income includes costs recovered from tenants.

Service charges and other recoveries include income in relation to service charges and directly recoverable expenditure together with any chargeable management fee.

Revenue on sale of trading properties is recognised when substantially all the risks and rewards have passed to the buyer.

(f) Interest

Interest is accounted for on an accruals basis.

2. Significant accounting policies (continued)

(g) Income taxation

Income tax on the Income Statement for the year comprises current tax. Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease – properties leased out to tenants under operating leases are included in investment properties in the balance sheet.

(i) Impairment

The carrying amounts of non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). An impairment loss is recognised in the Income Statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount that would have been determined, net of applicable depreciation, if no impairment loss had been recognised.

(j) Borrowing costs

Borrowing costs associated with direct expenditure on properties under development or undergoing major refurbishment are capitalised. The interest capitalised is calculated using the weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of land or property acquired specifically for redevelopment in the short-term but only where activities necessary to prepare the asset for redevelopment are in progress.

(k) Intercompany loans

Intercompany loans are recognised initially at fair value less attributable transaction costs. Subsequently to initial recognition, intercompany loans are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the income statement over the period of the loan, using the effective interest method.

(l) Trade and other payables

Trade and other payables with no stated interest rate and payable within one year are recorded at transaction price. Trade and other payables after one year are discounted based on amortised cost method using the effective interest rate.

(m) Prior year adjustment

The balance sheets of the Company as at 31 December 2013 and 31 December 2014 have been restated as assets and liabilities were understated due to a historical omission of investment property, a deferred tax charge in respect of not recognising this investment property and non-current receivables not initially being recognised at fair value. The impact of the restatement on the balance sheet is to increase total assets by £1,071,210 in both 2013 and 2014 and increase total liabilities by £200,000 in 2013 and 2014. There is no impact on the 2014 income statement.

(n) Standards issued but not yet effective

The following accounting standards or interpretations were effective for the financial year beginning 1 January 2015 and have been applied in preparing these financial statements to the extent they are relevant to the preparation of financial information:

Annual Improvements to the IFRS's 2010-2012 Cycle which include amendments to:

IFRS 13 'Fair Value Measurement'
IAS 40 'Investment Property'

The following accounting standards and interpretations which are relevant to the Company have been issued, but are not yet effective:

IFRS 7 'Financial Instruments – Disclosures'
IFRS 9 'Financial Instruments'
IFRS 15 'Revenue from Contracts with Customers'
IFRS 16 'Leases'

These standards and interpretations have not been early adopted by the Company. The Company is in the process of assessing the impact of these new standards and interpretations on its financial reporting.

3. Critical accounting judgements and key estimations of uncertainty

The Company's significant accounting policies are stated in note 2 above. Not all of these significant accounting policies require management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the consolidated financial statements. These judgements involve assumptions or estimates in respect of future events. Actual results may differ from these estimates.

(a) Trading properties

Trading properties are carried at the lower of cost and net realisable value. The latter is assessed by the Company having regard to suitable valuations performed by its external valuer, CBRE Limited (CBRE). An impairment charge will arise if the net realisable value is lower than the cost.

The estimation of the net realisable value of the Company's trading properties is inherently subjective due to a number of factors, including their complexity, unusually large size and the substantial expenditure required. As a result, the net realisable values of the Company's trading properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate.

If the assumptions upon which the external valuer has based their valuation prove to be false, this may have an impact on the net realisable value of the Company's properties, which would in turn have an effect on the Company's financial condition.

(b) Investment property valuation

The Company uses the valuation performed by its external valuer, CBRE, as the fair value of its investment properties.

The valuation of the Company's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the Company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

The investment property valuation contains a number of assumptions upon which CBRE has based its valuation of the Company's properties as at 31 December 2015. The assumptions on which the valuations have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions. These assumptions are market standard and accord with the RICS Valuation Standards. However, if any assumptions made by the property valuer prove to be false, this may mean that the value of the Company differs from their valuation, which could have a material effect on the Company's financial condition.

(c) Trade and other receivables

The Company is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the counterparty and the status of any disputed amounts.

4. Revenue

	2015 £	2014 £
Ground rent	**65,640**	110,408
Service charge and insurance income	**89,155**	59,155
Trading property sales proceeds	**166,996**	2,217,251
Revenue	**321,791**	2,386,814
Other direct property or contract expenditure	**(58,446)**	(62,611)
Trading property cost of sales	**(180,000)**	(2,163,751)
Net property income	**83,345**	160,452

Other direct property or contract expenditure are costs incurred in the direct maintenance and upkeep of investment properties. Void costs, which include costs relating to empty properties pending redevelopment and refurbishment, costs of investigating potential development schemes which are not proceeded with, and costs in respect of housekeepers and outside staff directly responsible for property services, are also included.

5. Investment properties

	2015	2014
	£'000	£'000
		(restated)
Net book value at 1 January	1,000,000	1,000,000
Surplus on revaluation of investment properties	450,000	-
Net book value at 31 December	**1,450,000**	1,000,000

A prior year adjustment has been put through in the 2013 and 2014 balance sheet to reflect the correct investment property position at the respective year ends. The adjustment relates to an investment property that was incorrectly excluded from the valuation report.

The historical cost of the investment properties is **£1,000,000** (2014: £1,000,000). The difference between the carrying amount and historical cost is **£450,000.**

The fair value of the Company's investment properties at 31 December 2015 were determined by the external valuers, CBRE. The valuations are in accordance with RICS standards. The valuations performed by the independent valuers are reviewed internally by management. This includes discussions of the assumptions used by the external valuers, as well as a review of the resulting valuations. Discussions of the valuation process and results are held between senior management, the audit committee and the external valuers on a half-yearly basis.

The valuers' opinion of fair value was primarily derived using comparable recent market transactions on arm's length terms and using appropriate valuation techniques. The fair value of investment properties is determined using the income capitalisation approach. Under this approach, forecast net cash flows, based upon market derived estimated present rental values (market rent), together with estimated costs are discounted at market derived capitalisation rates to produce the valuers' opinion of fair value. The average discount rate which, if applied to all cash flows would produce the fair value, is described as the equivalent yield.

The Company considers all of its investment properties to fall within 'level 3' as defined by IFRS 13. Accordingly, there has been no transfer of properties within the fair value hierarchy in the financial year. The table below summarises the key unobservable inputs used in the valuation of the investment properties at 31 December 2015.

	Market Value £	True Equivalent Yield (%) Actual
Investment property	1,450,000	6.3

Definition of terms

ERV – Gross estimated rental value
The estimated market rental value of lettable space as determined by the external valuers.

True Equivalent Yield
Calculated by the external valuers, equivalent yield is the internal rate of return from an investment property, based on the outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent and such items as voids and non-recoverable expenditure but ignoring future changes in capital value. The calculation assumes rent is received annually in arrears.

Sensitivities
The following table illustrates the impact of changes in key unobservable inputs (in isolation) on the fair value of the Company's property:

		Impact on Valuations of 25 bps change in true equivalent yield	
	Market Value £'000	Decrease £'000	Increase £'000
Investment property	1,450,000	5,000	(25,000)

6. Property management and administrative expenses

Property management and administrative expenses consist of all costs of managing the property, together with the costs of rent reviews and renewals, re-lettings of the property and management services as explained in note (a) below. No staff costs or overheads are capitalised.

(a) Management services

The Company had no employees during the year (2014: None). Management services were provided to the Company throughout the year by Land Securities Properties Limited, which is a member of the Land Securities Group and amount to **£Nil** (2014: £Nil).

(b) Directors' remuneration

The directors received no emoluments for their services to the Company. The amounts allocated to services for this Company were **£Nil** (2014: £Nil).

(c) Auditor remuneration

The auditor's remuneration amounts to **£1,749** (2014: £1,749). The auditor received no remuneration for non-audit services provided to the Company during the year (2014: £Nil).

7. Net interest income

	2015 £	2014 £
Interest expense		
Interest expense	(99)	(40)
Total interest expense	(99)	(40)
Interest income		
Short-term deposits	6,415	5,916
Total interest income	6,415	5,916
Net interest income	6,316	5,876

8. Income tax

	2015 £	2014 £
Current tax		
Income tax on profit for the year	33,288	35,373
Deferred tax		
Revaluation of investment property to fair value	61,000	-
Total income tax charge in the income statement	94,288	35,373

Factors affecting the current tax charge for the year
The current income tax charge for the year equates (2014: equates) **to the standard rate of corporation tax in the UK of 20%** (2014: 21.5%).

	2015 £	2014 £
Profit before tax	545,228	164,579
Profit before tax multiplied by the rate of corporation tax in the UK of **20%** (2014: 21.5%)	109,046	35,373
Difference in charge rate	(29,000)	-
Taxable income relating to fair value uplift of debtors	14,242	-
Total income tax charge in the income statement (as above)	94,288	35,373

	Balance sheet		Income statement	
Deferred income tax liability	2015 £	2014 £	2015 £	2014 £
Revaluation of investment property to fair value	261,000	200,000	61,000	-
At 31 December	261,000	200,000	61,000	-

A prior year adjustment has been included in the 2013 and 2014 balance sheets to reflect the deferred tax charge in respect of not recognising the investment property in the past.

9. Trading properties

	Total £
At 1 January 2015	180,000
Disposals	(180,000)
At 31 December 2015	-

10. Trade and other receivables

	2015	2014
	£	£
		(restated)
Trade receivables	**29,086**	3,744
Prepayments and accrued income	**34,964**	55,901
Other receivables	**-**	6,103
Loans to related party	**-**	44,271
Total current trade and other receivables	**64,050**	110,019
Plus: non-current trade and other receivables	**250,000**	300,006
Total trade and other receivables	**314,050**	400,025

The unsecured loan to the related party is interest free and repayable on demand with no fixed repayment date to Land Securities Properties Limited which is a subsidiary of Land Securities Group PLC. The loan was received during the year.

Non-current and other receivables relates to shared ownership apartments that have been measured at fair value, in line with CBRE valuation reports.

The bad debts were **£Nil** in the financial year (2014: £Nil).

Non-current receivables were restated due to them not initially been recognised at fair value. Refer to note 16 for more information.

11. Cash and cash equivalents

	2015	2014
	£	£
Cash and cash equivalents	**23,298**	54,024
Short-term deposits	**2,000,000**	1,700,000
	2,023,298	1,754,024

12. Trade and other payables

	2015	2014
	£	£
		(restated)
Retention payable	**670,256**	681,828
Other payables	**-**	47,101
Accruals and deferred income	**21,722**	7,533
Current tax liabilities	**52,157**	117,987
Loans due to a related party	**41,673**	-
Total current trade and other payables	**785,808**	854,449

Retention payable represent amounts due for work completed on trading properties but not paid for at the year end.

At 31 December 2015 loans due to related parties were due to Land Securities Group PLC and intu properties plc in equal proportions. The unsecured loan to the related parties is interest free and repayable on demand with no fixed repayment date.

13. Financial risk management

Financial risk management objectives and policies

The Company has trade and other receivables and trade and other payables that arise directly from its operations. The carrying value equals the fair value of the trade receivables and trade payables due to their short term nature.

There were no gains or losses arising on financial assets or liabilities recognised in either the income statement or direct to equity (2014: Nil).

Credit risk
With respect to credit risk arising from the financial assets of the Company, which comprise of cash and trade and other receivables, the Company's maximum exposure equal to the carrying amount of these instruments in the event the counter parties default.

Liquidity risk
The Company is exposed to liquidity risk and need to ensure that the cash balances and cash flows from operations are sufficient to enable payment of their trade and other payables. The Company carefully monitor actual cash flows against forecasts and budgets in order to manage this risk.

Capital management
The Company considers its capital to include Shareholders' capital. The primary objective of the Company's capital management is to ensure that the Company's property portfolio is appropriately supported by capital that is efficient and that seeks to reduce fluctuations in interest payments due to changes in external interest rates.

14. Ordinary share capital

	Authorised		Allotted and fully paid	
	2015	2014	**2015**	2014
	Number	Number	**£**	£
Ordinary shares of £1.00 each	**1**	1	**1**	1

15. Operating lease arrangements

The Company earns rental income by leasing its investment and operating properties to tenants under non-cancellable operating leases.

At the balance sheet date, the Company had contracted with tenants to receive the following future minimum lease payments:

	2015	2014
	£	£
Operating leases which expire:		
Not later than one year	**60,800**	60,800
Later than one year but not more than five years	**243,200**	243,200
More than five years	**95,106,400**	95,167,200
	95,410,400	95,471,200

16. Prior year restatement

The balance sheets of the Company as at 31 December 2013 and 31 December 2014 have been restated as assets and liabilities were understated due to a historical omission of investment property, a deferred tax charge in respect of not recognising this investment property and non-current receivables not initially being recognised at fair value. The impact of the restatement on the balance sheet is to increase total assets by £1,071,210 in both 2013 and 2014 and increase total liabilities by £200,000 in 2013 and 2014. There is no impact on the 2014 income statement.

	2014	**2014**	
		As previously	**Effect of**
	As restated	**reported**	**restatement**
	£	**£**	**£**
Balance sheet			
Investment property	1,000,000	-	1,000,000
Fair value uplift of debtors	300,006	228,796	71,210
Deferred tax liability	(200,000)	-	(200,000)
Retained earnings at 31 December 2014	2,289,599	1,418,389	871,210

	2013	**2013**	
		As previously	**Effect of**
	As restated	***reported***	***restatement***
	£	**£**	**£**
Balance sheet			
Investment property	1,000,000	-	1,000,000
Fair value uplift of debtors	350,000	278,790	71,210
Deferred tax liability	(200,000)	-	(200,000)
Retained earnings at 31 December 2013	2,160,393	1,289,183	871,210

17. Post balance sheet events

The directors note the uncertainty - and consequential volatility in the property and capital markets - since the UK voted to leave the European Union in the 23 June 2016 referendum. This uncertainty may have a negative impact on UK property valuations in future periods. The directors are unable at the current time to quantify what, if any, impact there may be on the Companies property valuations. These uncertainties are not reflected in the balance sheet as 31 December 2015.

18. Related party transactions

Included within payables as at 31 December 2015 there was **£41,673** (2014: £nil) due to Land Securities Group PLC and intu properties plc in equal proportions. Within receivables at 31 December 2015, there was **£Nil** (2014: £44,271) due from Land Securities Properties Limited which is a subsidiary of Land Securities Group PLC. The movement in the year of **£44,271** (2014: £88,374) represents Land Securities Properties Limited paying operational costs on behalf of the Company.

19. Parent company

The immediate parent company is St. David's (General Partner) Limited.

The joint controlling parties at 31 December 2015 were Land Securities Group PLC and intu properties plc respectively, both of which are registered in England and Wales.