

CABOT MEWS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2017

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2017

		28 February 2017 £	29 February 2016 £
	Note		
FIXED ASSETS			
Tangible assets	4	10,215,987	8,614,390
		10,215,987	8,614,390
CURRENT ASSETS			
Debtors: amounts falling due within one year	5	1,724	2,569
Cash at bank and in hand		84,435	84,548
		86,159	87,117
Creditors: amounts falling due within one year	6	(619,735)	(529,124)
NET CURRENT LIABILITIES		(533,576)	(442,007)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,682,411	8,172,383
Creditors: amounts falling due after more than one year	7	(5,621,919)	(5,922,169)
PROVISIONS FOR LIABILITIES			
Deferred tax	9	(464,678)	(239,841)
		(464,678)	(239,841)
NET ASSETS		3,595,814	2,010,373
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account		3,595,813	2,010,372
		3,595,814	2,010,373

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 FEBRUARY 2017

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr S M Davidson

Director

Date: 4 November 2017

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

1. GENERAL INFORMATION

Cabot Mews Limited is a private company, limited by shares, incorporated in England within the United Kingdom. The address of the registered office is Springfield House, 45 Welsh Back, Bristol, BS1 4AG, and the registered number is 07779563.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 12

The following principal accounting policies have been applied:

2.2 EXEMPTION FROM PREPARING GROUP ACCOUNTS

The company is part of a small group. The company has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared group accounts.

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis. The directors have given assurances that they will continue to support the company and group as necessary.

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)

2.5 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.7 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)

2.9 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.10 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.

2.11 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.

2.12 INTEREST INCOME

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.13 BORROWING COSTS

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)

2.15 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 2 (2016: 2).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

4. TANGIBLE FIXED ASSETS

	Investment Properties £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 March 2016	8,610,000	600	7,205	8,617,805
Additions	-	-	16,926	16,926
Revaluations	1,590,000	-	-	1,590,000
At 28 February 2017	10,200,000	600	24,131	10,224,731
DEPRECIATION				
At 1 March 2016	-	263	3,152	3,415
Charge for the year on owned assets	-	84	5,245	5,329
At 28 February 2017	-	347	8,397	8,744
NET BOOK VALUE				
At 28 February 2017	10,200,000	253	15,734	10,215,987
At 29 February 2016	8,610,000	337	4,053	8,614,390

The net book value of land and buildings may be further analysed as follows:

	28 February 2017 £	29 February 2016 £
Freehold	10,200,000	8,610,000
	<u>10,200,000</u>	<u>8,610,000</u>

The historical cost of the investment properties is £6,858,960 (2016: £6,858,960).

5. DEBTORS

	28 February 2017 £	29 February 2016 £
Prepayments and accrued income	1,724	2,569

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2017 £	29 February 2016 £
Bank loans	300,000	270,000
Trade creditors	-	1,679
Corporation tax	61,562	47,038
Other creditors	52,107	51,377
Accruals and deferred income	206,066	159,030
	<u>619,735</u>	<u>529,124</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	28 February 2017 £	29 February 2016 £
Bank loans	<u>300,000</u>	<u>270,000</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28 February 2017 £	29 February 2016 £
Bank loans	2,486,000	2,786,000
Amounts owed to group undertakings	149,887	150,137
Other creditors	2,986,032	2,986,032
	<u>5,621,919</u>	<u>5,922,169</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	28 February 2017 £	29 February 2016 £
Bank loans	2,486,000	2,786,000
Other creditors	941,032	941,032
	<u>3,427,032</u>	<u>3,727,032</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

8. LOANS

Analysis of the maturity of loans is given below:

	28 February 2017 £	29 February 2016 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	300,000	270,000
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	1,200,000	1,200,000
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	1,286,000	1,586,000
	<u>2,786,000</u>	<u>3,056,000</u>

9. DEFERRED TAXATION

	2017 £
At beginning of year	(239,841)
Charged to profit or loss	(224,837)
AT END OF YEAR	<u>(464,678)</u>

The provision for deferred taxation is made up as follows:

	28 February 2017 £
Accelerated capital allowances	(2,231)
Charge on revalued properties	<u>(462,447)</u>

10. SHARE CAPITAL

	28 February 2017 £	29 February 2016 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

11. CONTROLLING PARTY

The company is controlled by CTU General Partner Limited, its parent company. The registered office address of the parent company is Springfield House, 45 Welsh Back, Bristol, BS1 4AG.

FIRST TIME ADOPTION OF FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 March 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 March 2015

	Note	£
Equity at 1 March 2015 under previous UK GAAP		1,375,232
Deferred Tax on property revaluation		(239,729)
		<hr/>
EQUITY SHAREHOLDERS FUNDS AT 1 MARCH 2015 UNDER FRS 102		<u><u>1,135,503</u></u>

Reconciliation of equity at 29 February 2016

	Note	£
Equity at 29 February 2016 under previous UK GAAP		2,250,102
Deferred Tax on property revaluation		(239,729)
		<hr/>
EQUITY SHAREHOLDERS FUNDS AT 29 FEBRUARY 2016 UNDER FRS 102		<u><u>2,010,373</u></u>

Reconciliation of profit and loss account for the year ended 29 February 2016

	£
Profit for the year under previous UK GAAP	164,870
Revaluation in year	710,000
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PROFIT FOR THE YEAR ENDED 29 FEBRUARY 2016 UNDER FRS 102	<u><u>874,870</u></u>

12. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)

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

- 1 Deferred tax is now fully provided for on unrealised revaluation gains arising on investment properties. Previously, no deferred tax was permitted to be recognised on these gains. Additionally, the revaluation gains on investment properties are now disclosed within the Profit for the year, where they were previously shown as other gains.

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