

**TEMPLE STUDIOS LIMITED**  
(registered number: 07936198)

**Report of the directors and financial statements  
for the year ended 30 June 2016**

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## **Temple Studios Limited**

### **Report of the directors for the year ended 30 June 2016 (registered number: 07936198)**

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2016. The report of the directors has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006. Accordingly a strategic report has not been prepared.

#### **Principal activities**

The principal activity of the company is that of the holding of a property for potential development.

#### **Business review**

The loss before taxation for the year was £606,000 (2015: loss £5,000). The loss after taxation of £606,000 (2015: loss £5,000) has been withdrawn from reserves. The results of the company for the year are set out in the statement of profit and loss account on page 6.

The value of the company's net liabilities at 30 June 2016 was £1.6m (2015: £1.0m). The financial position of the company are set out in the Balance Sheet on page 7.

*The directors are unable to recommend payment of a dividend (2015: same).*

#### **Going concern**

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities.

After making appropriate enquiries, and on the basis that the company has the support of its parent company, Shop Direct Holdings Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the annual report and accounts.

## **Temple Studios Limited**

### **Report of the directors for the year ended 30 June 2016 (continued) (registered number: 07936198)**

#### **Directors**

The directors that held office during the period and up to the date of this report were as follows:

A J T Parson	
S Heycock	appointed 14 December 2015
Shop Direct Company Director Limited	resigned 14 December 2015

The following directors were appointed after the balance sheet date

M Seal	appointed 25 July 2016
P L Peters	appointed 25 July 2016

#### **Elective resolutions**

The company has passed elective resolutions to dispense with the holding of annual general meetings and for the laying of the annual report and financial statements before the company in general meetings, until such time as the elections are revoked

#### **Approval of reduced disclosures**

The company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intends to take advantage of these exemptions in the financial statements to be issued in the following financial year.

#### **Statement to disclose information to the auditor**

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

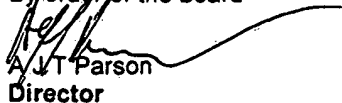
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's 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 2006.

#### **Auditor**

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

By order of the board

  
A J T Parson  
Director

11 November 2016

**Temple Studios Limited**

**Report of the directors for the year ended 30 June 2016 (continued)**  
**(registered number: 07936198)**

**Statement of directors' responsibilities**

The directors are responsible for preparing the report of the directors 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 company's financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. In preparing these financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and accounting estimates that are reasonable and prudent; and
- c) preparation of 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.

## **Temple Studios Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF TEMPLE STUDIOS LIMITED**

We have audited the financial statements of Temple Studios Limited for the year period ended 30 June 2016 which comprise the Profit and Loss Account, statement of comprehensive income, the Balance Sheet, the statement of changes in equity and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The financial reporting standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and the 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 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 annual report 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 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Temple Studios Limited**

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF TEMPLE STUDIOS LIMITED**  
(continued)

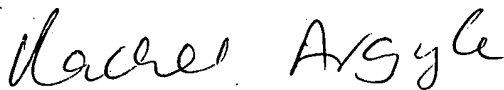
**Opinion on other matter prescribed by the Companies Act 2006**

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 from preparing a Strategic Report or in preparing the Directors' Report.



**Rachel Argyle (Senior Statutory Auditor)**

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom

11 November 2016

**Temple Studios Limited**

**Profit and Loss Account for the year ended 30 June 2016**

	<i>Notes</i>	<b>2016 £'000</b>	<b>2015 £'000</b>
Turnover		<u>5</u>	<u>-</u>
<b>Gross profit</b>		<b>5</b>	<b>-</b>
Administrative expenses		<u>(111)</u>	<u>(5)</u>
<b>Operating loss</b>		<b>(106)</b>	<b>(5)</b>
Revaluation of investment property	<b>4</b>	<u>(500)</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	<b>(606)</b>	<b>(5)</b>
Taxation	<b>3</b>	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>		<b>(606)</b>	<b>(5)</b>

The loss for the current period arises from the company's continuing operations.

There were no gains or losses, other than as presented in the above profit and loss account, and accordingly, no separate statement of comprehensive income has been presented in the current and prior year.


**Temple Studios Limited**

**Balance sheet as at 30 June 2016**  
**(registered number: 07936198)**

	Notes	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Investment Properties	4	-	500
<b>Current assets: Debtors</b>	5	8	-
<b>Creditors: Amounts falling due within one year</b>	6	(1,620)	(1,506)
<b>Total assets less current liabilities</b>		(1,612)	(1,006)
<b>Net liabilities</b>		(1,612)	(1,006)
<b>Capital and reserves</b>			
Share capital	7	-	-
Profit and loss account		(1,612)	(1,006)
<b>Total shareholders deficit</b>		(1,612)	(1,006)

The notes on pages 9 to 16 are an integral part of these financial statements.

The financial statements on pages 6 to 16 were approved by the Board of Directors on 11 November 2016 and signed on its behalf

  
A.J. T. Parson  
Director



**Temple Studios Limited**

**Statement of changes in equity as at 30 June 2016**

	<b>Called up Share capital £'000</b>	<b>Retained Earnings £'000</b>	<b>Total equity £'000</b>
<b>At 1 July 2014</b>	-	(1,001)	(1,001)
Loss and total comprehensive expense for the financial year	-	(5)	(5)
<b>At 1 July 2015</b>	-	(1,006)	(1,006)
Loss and total comprehensive expense for the financial year	-	(606)	(606)
<b>At 30 June 2016</b>	-	(1,612)	(1,612)

The prior year financial statements did not require restatement for material adjustments on adoption of FRS 102 in the current year and therefore the equity balance at 1 July 2014 and 1 July 2015 is as previously stated.

## **Temple Studios Limited**

### **Notes to the financial statements for the year ended 30 June 2016**

#### **General information**

Temple Studios Limited ("the company") is the holder of property for potential development. The company is a private limited company, limited by shares and incorporated in the United Kingdom. The company's registered office is 2<sup>nd</sup> Floor, 14 St George Street, London W1S 1FE.

The individual financial statements of Temple Studios Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, as issued by the Financial Reporting Council.

#### **Basis of accounting**

The financial statements are prepared on the going concern basis, under the historical cost convention, modified to include the revaluation of freehold land and buildings and investment properties, and in accordance with the Companies Act 2006 and United Kingdom applicable accounting standards, which have been applied on a consistent basis with the previous year. The principal accounting policies are set out below.

The accounts are drawn up to the Saturday nearest to 30 June, or to 30 June where this falls on a Saturday.

#### **Going concern**

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities. These are set out within the Directors' Report.

After making appropriate enquiries, and on the basis that the company has the support of its parent company, Shop Direct Holdings Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the annual report and accounts.

#### **Exemptions for qualifying entities under FRS 102**

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its immediate holding company, Trenport Property Holdings Limited, includes the company's cashflows in its own consolidated financial statements. The company has also taken exemptions in relation to financial instruments and remuneration of key personnel.

## **Temple Studios Limited**

### **Notes to the financial statements for the year ended 30 June 2016 (continued)**

#### **Investment properties**

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Depreciation is not provided on investment properties which represents a departure from the Companies Act 2006. However, this property is not held for consumption but for investment and the directors consider that systematic annual depreciation would not be appropriate. The accounting policy adopted is therefore necessary for the accounts to show a true and fair view.

#### **Revaluation of properties**

Freehold properties, other than investment properties, are revalued to fair value every year and the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged or credited to the profit and loss account.

#### **Taxation**

Current 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **Temple Studios Limited**

### **Notes to the financial statements for the year ended 30 June 2016 (continued)**

#### **Taxation (continued)**

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Turnover**

Turnover which excludes value added tax comprises the company's rental income from the operation of its portfolio of properties. Turnover is recognised for rental income earned on a straight line basis over the lease term. All turnover has been realised in the United Kingdom.

#### **Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *Financial assets*

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### *Financial liabilities*

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at measured cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## Temple Studios Limited

### Notes to the financial statements for the year ended 30 June 2016 (continued)

#### Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned

#### Critical judgements in applying the Company's accounting policies

##### Investment properties

A key source of estimation and uncertainty relates to the valuation of investment properties, where a valuation is obtained annually, as at 30 June, either by professional qualified external valuers, or by the Group's own internal qualified staff. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. However, the assumptions applied are inherently subjective and so are subject to a degree of uncertainty.

##### Key source of estimation uncertainty

##### Taxation

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, in the form of future cash flows using a suitable growth rate.

#### 1. Employees and directors

The company had no employees, other than the directors, during the year (2015: same).

Directors' emoluments are paid by other group companies and are not recharged (2015: same).

#### 2. Loss on ordinary activities before tax

Loss on ordinary activities before taxation is stated after charging/ (crediting):

	2016 £'000	2015 £'000
Audit Fee	2	-

The auditor's remuneration of £2,000 in the prior year was been borne by a fellow group undertaking and has not been recharged.

There are no non-audit fees payable to the auditor in the current or prior year.

**Temple Studios Limited**

**Notes to the financial statements for the year ended 30 June 2016 (continued)**

**3. Taxation**

	2016 £'000	2015 £'000
Total current tax credit	-	-
Deferred taxation movement	-	-
<b>Tax charge on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

There is no tax charge in either year. The current tax charge assessed for the year is different to the standard rate of corporation tax in the UK at 20.0% (2015: 20.8%). The differences are explained below:

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	606	5
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.0% (2015: 20.8%)	121	1
Effects of:		
Expenses not deductible for tax purposes	(108)	-
Origination and reversal of timing differences	-	-
Group relief losses surrendered for nil consideration	(13)	(1)
Current tax charge for the year	-	-

The government has announced that it intends to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020. The 18% main rate of corporation tax was set by the Finance (No.2) Act 2015 which received Royal Assent on 18 November 2015. The Finance Bill 2016 introduces legislation that further reduces, from 1 April 2020, the main rate of corporation tax to 17%. As this legislation was not substantively enacted by 30 June 2016, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts. The total unrecognised deferred tax asset is £4,000 (2015: nil).

**Temple Studios Limited**

**Notes to the financial statements for the year ended 30 June 2016 (continued)**

**4. Investment Property**

	Investment properties £'000
<b>Valuation</b>	
At 1 July 2015	500
Revaluations	(500)
	<hr/>
At 30 June 2016	-
	<hr/>
<b>Net book value</b>	
At 30 June 2016	-
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At 30 June 2015	500
	<hr/>

The investment properties as above are not depreciated in accordance with the accounting policies.

The company's investment properties were valued at 30 June 2016 on an open market value basis by a RICS qualified external valuer, Colliers CRE. The valuations of investment property are done on an existing basis and in accordance with Red Book Principles. Revaluations are carried out by internal valuers at least every year and by RICS qualified external valuers at least every five years.

**5. Debtors: Amounts falling due within one year**

	2016 £'000	2015 £'000
Other debtors	4	-
Prepayments	4	-
	<hr/>	<hr/>
	8	-

**6. Creditors: Amounts falling due within one year**

	2016 £'000	2015 £'000
Amounts owed to group undertakings	1,616	1,506
Accruals and deferred income	4	-
	<hr/>	<hr/>
	1,620	1,506

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

## Temple Studios Limited

### Notes to the financial statements for the year ended 30 June 2016 (continued)

#### 7. Share capital

	2016 £	2015 £
<b>Authorised:</b>		
1 ordinary share of £1	1	1
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<b>Allotted, issued and unpaid:</b>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

#### 8. Related party transactions

At 30 June 2016 the company was controlled by its immediate holding company Arndale Properties Limited, and the company has taken advantage of the exemption contained in FRS 102 para.33.1A and has therefore not disclosed transactions or balances with entities which form part of the group or are disclosed in the Shop Direct Holdings Limited group's financial statements.

#### 9. Ultimate controlling party

The immediate holding company is Arndale Properties Limited, a company registered in England and Wales.

The smallest group into which the results of the company are consolidated is Trenport Property Holdings Limited, a company registered in England and Wales. The largest group into which the results of the company are consolidated is the financial statements of Shop Direct Holdings Limited, a company registered in England and Wales, which the directors regard as being controlled by Sir David Barclay and Sir Fredrick Barclay Family Settlements. The financial statements of Shop Direct Holdings Limited can be obtained by writing to 2<sup>nd</sup> Floor, 14 St George Street, London W1S 1FE.

#### 10. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. No changes to the reported numbers were required as a result of the transition to FRS 102.