Get Living London EV No9 Limited

Annual report and financial statements

For the year ended 31 March 2015

Company Registration No. 08613940

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COMPANY INFORMATION

Directors

DV4 Administration Limited

Sheikh Jassim Al-Thani

Stephen James Pettit

Colin Barry Wagman

Registered office

6th Floor Lansdowne House

Berkeley Square

London

W1J 6ER

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Directors' Report

The Directors present the annual report and the audited financial statements for the year ended 31 March 2015.

Directors

The Directors who served during the year were:

- DV4 Administration Limited (appointed 12 January 2015)
- Sheikh Jassim Al-Thani (appointed 12 January 2015)
- Stephen James Pettit (appointed 4 August 2014)
- Colin Barry Wagman (appointed 4 August 2014)
- James Woolhouse (resigned 4 August 2014)
- Geraldine Murphy (resigned 4 August 2014)
- Pieter De Waal – Secretary (resigned 4 August 2014)

Principal activities

The principal activity of the Company is the letting of residential property to private tenants at East Village, London E20.

Results and dividends

The profit for the year amounted to £2.9m (2014: £66k from period of incorporation) before tax and £2.3m (2014: £49k from period of incorporation) after tax.

A distribution of £12,699,029 was paid during the year.

Principal risks and uncertainties

In the opinion of the directors, the major risks faced by the company relate to fluctuations in the residential rental market and the property market generally. The directors believe the excellent location and infrastructure in place at Stratford mitigate some of these concerns.

The company is also exposed to the following specific risks:

Credit risk
The Company services the private rental property sector as it rents its investment properties to third party private residents. The private property industry is economically sensitive and highly competitive. If a tenant experiences financial difficulties this may result in arrears which, ultimately, are chased through a legal process which can end in repossession of the property. The directors mitigate this risk by conducting comprehensive credit checks prior to tenancy commencement and will insist on guarantors as required.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to mitigate liquidity risk by maintaining adequate banking facilities.

Directors' Report (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company has no significant assets or liabilities denominated in currencies other than Pounds Sterling and was therefore not exposed to currency risk at the balance sheet date.

Interest rate risk

The Company's interest bearing financial assets and liabilities expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The company makes use of derivative financial instruments where possible to mitigate the Company's overall exposure to interest rates.

Going concern

The financial statements of the Company have been prepared on a going concern basis. The Directors have referred to cash flow forecasts for the coming year in order to understand the capital requirements of the Company. The joint venture parties have indicated their willingness to support the Company for the period of not less than 12 months from the date of approval of the financial statements to meet its liabilities as they fall due.

The Directors therefore have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future, and consider it appropriate to prepare the financial statements on a going concern basis.

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are shown above. Having made enquiries of fellow Directors and of the company's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the company's auditor in connection with preparing their report) of which the company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Small companies' exemption

In preparing the report and financial statements, the directors have taken advantage of the small companies' exemption provided under the Companies Act 2006. The directors have also taken advantage of the exemption provided under Section 414B of the Companies Act 2006 for the requirement to produce a Strategic Report for the year.

Directors' Report (continued)

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

....

Colin Wagman

Director

16 November 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Independent Auditor's Report to the Members of Get Living London EV N09 Limited

We have audited the financial statements of Get Living London EV N09 Limited for the year ended 31 March 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

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 6 the company's 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 Directors' 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 31 March 2015 and of its profit 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.

Opinion on other matters 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.

Independent Auditor's Report to the Members of Get Living London EV No9 Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take the advantage of the small companies' exemptions in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst & Young LLP

Matthew Williams (Senior statutory auditor)
For and on behalf of Emst & Young LLP (Statutory Auditor)
16 November 2015

Statement of comprehensive income

	Notes	Year ended 31 March 2015 £000	From incorporation to 31 March 2014 £000
Rental income		942	80
Other income		1	19
Total revenue		943	99
Direct costs		(175)	(27)
Net rental income		768	72
Administrative expenses		(384)	-
Valuation gain on investment property	7	3,382	-
Operating profit	4	3,766	72
Interest payable and similar costs	5	(901)	(6)
Profit on ordinary activities before taxation		2,865	66
Taxation	6	(572)	(17)
Profit for the year		2,293	49
Other comprehensive income		-	-
Total comprehensive income for the year		2,293	49

Statement of financial position

	Notes	2015 £000	2014 £000
Fixed assets			
Investment property	7	**21,125**	17,575
Tangible fixed assets	8	**163**	-
		21,288	17,575
Current assets			
Debtors	9	**602**	194
		602	194
Creditors: amounts falling due within one year	10	**(4,670)**	(176)
Net current (liability) / asset		**(4,068)**	18
Total assets less current liabilities		**17,220**	17,593
Creditors: amounts falling due after more than one year	11	**(10,479)**	(1,020)
Provisions for liabilities	6	**(574)**	-
Net assets		**6,167**	16,573
Capital and reserves			
Share capital	13	**-**	-
Capital contribution		**3,825**	16,524
Retained earnings		**2,342**	49
Total equity		**6,167**	16,573

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 9 to 23 were approved by the Board of Directors for issue on 16 November 2015 and were signed on its behalf by:

....
Colin Wagman

Director
Company Registration No. 08613940

Statement of changes in equity as at 31 March 2015

	Share capital	Capital contribution	Retained earnings	Total equity
	£000	**£000**	**£000**	**£000**
From incorporation	-	-	-	-
Issue of shares	-	-	-	-
Capital contribution	-	16,524	-	16,524
Comprehensive income	-	-	49	49
Balance as at 31 March 2014	-	16,524	49	16,573
As at 1 April 2014	-	16,524	49	16,573
Distribution	-	(12,699)	-	(12,699)
Comprehensive income	-	-	2,293	2,293
As at 31 March 2015	**-**	**3,825**	**2,342**	**6,167**

Notes to the financial statements

1. Statement of compliance with FRS 101

These company financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and under the historical cost convention as modified by the revaluation of investment properties and derivative financial liabilities measured at fair value through the profit or loss, and in accordance with the Companies Act 2006. Refer to note 17 for differences between the financial statements prepared under previously extant UK GAAP at 31 March 2014 and the comparative amounts in these financial statements.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2015. The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Basis of preparation

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. Refer to note 17. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2015.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures; and
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a company, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

The financial statements of the Company have been prepared on a going concern basis. The Directors have referred to cash flow forecasts for the coming year in order to understand the capital requirements of the Company. The joint venture parties have indicated their willingness to support the Company for the period of not less than 12 months from the date of approval of the financial statements to meet its liabilities as they fall due.

The Directors therefore have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future, and consider it appropriate to prepare the financial statements on a going concern basis.

Notes to the financial statements (continued)

3. Summary of significant accounting policies

a) Investment property

Investment property is initially recognised at cost then subsequently measured at fair value. Gains or losses arising from changes in fair value of investment property are included in the profit or loss in the period in which they arise. No depreciation or amortisation is provided in respect of investment property.

b) Revenue recognition

Rental income from investment properties is recognised in the income statement on a straight-line basis over the term of the lease.

c) Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that they can be utilised against taxable profits. However, deferred tax assets are not recognised where they relate to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

d) Tangible fixed assets

Fixtures and fittings are depreciated at 25% per annum on a straight line basis. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

e) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Notes to the financial statements (continued)

f) Interest-bearing and profit-bearing loans

Obligations for bank loans are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and profit-bearing loans are subsequently measured at amortised cost using the effective interest method. The discount between the redeemable amount and the net proceeds is accreted over the term of the bonds and charged to the statement of comprehensive income.

The Company has entered into a Murabaha loan to finance the purchase of the Investment Property. The quarterly profit element payable on this transaction is treated as quasi-interest payable within these accounts, in accordance with recommended accounting practice.

g) Derivative financial instruments

The company uses interest rate derivative financial instruments to hedge its exposure to movements in interest rates. All classes of derivatives are initially recognised at fair value and subsequently re-measured to their prevailing fair value at each balance sheet date. Changes in the fair value of derivative financial instruments are recognised as income or expense in the consolidated statement of comprehensive income as they arise.

The company does not apply hedge accounting.

h) Leases – Company as lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the present value of the minimum lease payments.

Long leasehold properties are included in the balance sheet at fair value increased for the obligation for the present value of minimum future lease payments at inception. The finance charge is allocated each period during the lease term so as to produce a consistent periodic rate of interest on the remaining balance of the liability.

Notes to the financial statements (continued)

4. Operating profit

Operating profit is stated after charging:

	Year ended 31 March 2015	From incorporation to 31 March 2014
	£000	£000
Auditor's remuneration	**7**	-
Depreciation	**54**	-

5. Interest payable and similar costs

	Year ended 31 March 2015	From incorporation to 31 March 2014
	£000	£000
Profit payable on Murabaha	**276**	-
Change in fair value of derivatives	**360**	-
Interest payable on intercompany loan	**200**	-
Amortised arrangement fees	**9**	-
Finance lease charges	**56**	6
	901	6

6. Taxation

	Year ended 31 March 2015	From incorporation to 31 March 2014
	£000	£000
Current year tax	**-**	17
Adjustments for prior periods	**(2)**	-
	(2)	17
Deferred tax charge	**574**	-
Tax charge	**572**	17

Notes to the financial statements (continued)

6. Taxation (continued)

	Year ended 31 March 2015	From incorporation to 31 March 2014
	£000	£000
Factors affecting the tax charge for the year		
Profit before taxation	**2,865**	66
Profit before taxation multiplied by standard rate of UK corporation tax of 21% (2014: 23%)	**602**	15
Effect of:		
Non-deductible expenses	**43**	-
Difference between accounting and tax base cost of investment properties	**(23)**	-
Adjustment for prior periods	**(2)**	2
Effects of different rates of tax	**(29)**	-
Other differences	**(19)**	-
Tax charge	**572**	17

There is a reduction in the headline rate of corporation tax to 20% from 1 April 2015. Therefore deferred tax is calculated at 20%. On 8 July 2015, the UK Chancellor proposed a reduction in UK corporation tax rates to 19% from 1 April 2017 and 18% from 1 April 2020. The legislation introducing these rates would have the effect of reducing the deferred tax liability to £0.546m in 2017 and £0.517m in 2020.

	Year ended 31 March 2015	From incorporation to 31 March 2014
	£000	£000
Deferred tax liabilities		
At 1 April / incorporation	-	-
Charged to the statement of comprehensive income	574	-
At 31 March	**574**	-

	Year ended 31 March 2015	From incorporation to 31 March 2014
Deferred tax liability comprises	**£000**	£000
Revaluations investment property	654	-
Unutilised tax losses & other temporary differences	(80)	-
	574	-

Notes to the financial statements (continued)

7. Investment property

	2015	2014
	£000	£000
At 1 April	**17,575**	-
Acquisition	-	16,561
Finance lease obligation	-	1,014
Provision for additional acquisition cost	**168**	-
Fair value adjustments	**3,382**	-
At 31 March	**21,125**	17,575

	2015	2014
	£000	£000
Fair value	**20,079**	16,555
Finance lease separately recognised	**1,046**	1,020
At 31 March	**21,125**	17,575

The fair value of investment property of £20.1m (2014: 16.6m) includes principally leasehold residential property.

The fair values of these leasehold residential properties are directors valuations, based on a CBRE valuation of the freehold site containing the property held by this Company at 31 March 2015 in accordance with RICS standards. That amount is allocated to this property based on the size of the building, less an amount - estimated by the directors - representing the value of the head lease payments due to the head lease holder. All investment properties are held under lease agreements of 125 years.

Notes to the financial statements (continued)

8. Tangible fixed assets

	Fixtures and fittings
	£000
Cost	
At incorporation	-
Additions	-
At 31 March 2014	-
At 1 April 2014	-
Additions	217
At 31 March 2015	**217**
Depreciation	
At incorporation	-
Depreciation charge for the year	-
At 31 March 2014	-
At 1 April 2014	-
Depreciation charge for the year	(54)
At 31 March 2015	**(54)**
Net book value	
Balance at 31 March 2015	**163**
Balance at 31 March 2014	-

Notes to the financial statements (continued)

9. Debtors

	2015	2014
	£000	£000
Trade receivables	15	-
Allowance for doubtful debts	(8)	-
	7	-
Other receivables	-	194
Amounts due from group undertakings	595	-
	602	194

Trade receivables are non-interest bearing.

Trade receivables are provided for as follows:

- 50% of debt over 1 month old (but less than 2 months)
- 100% provision for debts over 2 months old. At this point, legal proceedings will commence.

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade payables	24	-
Deferred income	42	-
Other payables	202	115
Corporation tax	-	17
Amounts due to group undertakings	357	44
Loan from parent	4,045	-
	4,670	176

Trade payables are non-interest bearing and are normally settled in accordance with the Group's terms of business.

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The parent loan includes £2.5m which is interest bearing at 12%, £1.3m which is interest free and accrued interest of £0.2m. Loans from parent are repayable on demand.

Notes to the financial statements (continued)

11. Creditors: amounts falling due after more than one year

	2015	2014
	£000	£000
Finance lease liability – Non current (note 12)	**1,046**	1,020
Other creditors - overage	**168**	-
Murabaha loans	**8,968**	-
Deferred bank loan arrangement fees	**(63)**	-
Derivative financial instruments	**360**	-
	10,479	1,020

Other creditors represents the estimate of additional amounts due to the vendor of the investment property under the purchase contract.

The Murabaha loan is non-amortising and due in September 2019. Profit payable on bank loan is calculated based on LIBOR+ 2.60%, the floating rate is hedged by derivatives.

The Murabaha loan is served by fixed and floating charges over certain investment properties.

The company has entered into a Murabaha loan to part finance the purchase of the Investment Property. The quarterly profit element payable on this transaction is treated as quasi-interest payable within these financial statements.

In the year ended 31 March 2015 the company entered into a swap arrangement to swap floating rate profit payable on its Bank loans to a fixed rate. The swap has a non-amortising notional principal of £8.9m from inception in August 2014 through to maturity in September 2019 and fixes the profit payable on the bank loan at an effective rate of 4.67%.

Fair value is calculated using the present value of the estimated future cash flows and the credit quality of counterparties.

12. Finance lease liabilities

The Company acquired certain leasehold property that it classifies as investment property. The leases are accounted for as finance leases. These leases have lease terms of 125 years and rent increases 33% every ten years. Future minimum lease payments under finance leases are as follows:

	2015	2014
	£000	£000
Future minimum lease payments due:		
Within 1 year	**30**	30
After 1 year but not more than 5 years	**121**	121
More than 5 years	**32,362**	32,392
	32,513	32,543
Less: finance charges allocated to future periods	**(31,467)**	(31,523)
Present value of minimum lease payments	**1,046**	1,020

Notes to the financial statements (continued)

12. Finance lease liabilities (continued)

	2015	2014
	£000	£000
The present value of minimum lease payments is analysed as follows:		
Within 1 year	-	-
After 1 year but not more than 5 years	-	-
More than 5 years	1,046	1,020
	1,046	1,020

13. Share capital

	2015	2014
	£	£
Allotted, called up share capital		
1 Ordinary Shares of £1 each	1	1
	1	1

Holders of Ordinary Shares are entitled to one vote per share.

14. Related party disclosures

The company's immediate and ultimate parent undertakings were Get Living London EV Holdco Limited and QDD Limited respectively.

QDD Limited is ultimately jointly controlled as follows:

(i) By DV4 Limited, a company registered and incorporated in the British Virgin Islands; and

(ii) By Qatari Diar Real Estate Investment Company QSC, a company registered and incorporated in the State of Qatar and being a direct subsidiary of Qatar Investment Authority, a governmental authority established by the Emir of the State of Qatar.

QDD Athletes Village UK Limited is the smallest group to consolidate these financial statements. QDD Limited (incorporated in the British Virgin Islands) is the largest group to consolidate these financial statements.

Transactions between the company and its group entities are summarised in note 9 and 10. The Company's finance lease liabilities are with a company under common control (see note 12).

15. Commitments

There were no commitments as at 31 March 2015 (2014: £nil).

16. Contingent liabilities

There were no contingent liabilities as at 31 March 2015 (2014: £nil).

Notes to the financial statements (continued)

17. Transition to FRS 101

For the period from 17 July 2013 to 31 March 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 March 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 17 July 2013 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 17 July 2013, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 17 July 2013 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the period from 17 July to 31 March 2014.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

A reconciliation of equity as at 17 July 2013 is not presented because the Company was dormant previous to that time.

Reconciliation of equity as at 1 April 2014	**Note**	**UK GAAP**	**FRS 101 re-measurements**	**FRS 101**
		£000	**£000**	**£000**
Fixed assets				
Investment property	(1)	16,561	1,014	17,575
		16,561	1,014	17,575
Current assets				
Debtors		194	-	194
Creditors: amounts falling due within one year		(145)	(31)	(176)
Net current assets		49	(31)	18
Creditors: amounts falling due after more than one year	(2)	-	(1,020)	(1,020)
Net assets/(liabilities)		16,610	(37)	16,573
Capital and reserves				
Share capital		-	-	-
Retained earnings		55	(6)	49
Capital contribution		16,555	(31)	16,524
Total equity		16,610	(37)	16,573

Notes to the financial statements (continued)

17. Transition to FRS 101 (continued)

Restatement of equity from UK GAAP to FRS 101

1. Financial leases

Under UK GAAP, continuing head lease (or ground rent obligations) associated with the ownership of a long leasehold property were expensed as incurred. Under FRS 101 such head leases or ground rent obligations that are associated with long leasehold property that meet the definition of an investment property are accounted for as finance leases. The resultant obligations are included in current and non-current borrowings as appropriate and the carrying value of the investment property is adjusted such that the carrying amount of the property, less the finance lease obligation, equals the fair value of the investment property.

2. Reconciliation of total comprehensive income

The effect of the re-measurement differences on the reported total comprehensive income of the company for the period from 17 July 2013 to 31 March 2014 is as follows:

	£000
Total comprehensive income for the period from 17 July 2013 to 31 March 2014 under UK GAAP	55
Finance lease charges	(6)
Total comprehensive income for the period from 17 July 2013 to 31 March 2014 under FRS 101	49