

Company Registration No. 04300955 (England and Wales)

**NORTHERN COMMERCIAL PROPERTIES
LIMITED**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017**

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NORTHERN COMMERCIAL PROPERTIES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	2		-		37
Investment properties	3		1,050,027		1,050,027
Investments	4		2,056,350		2,043,950
			<u>3,106,377</u>		<u>3,094,014</u>
Current assets					
Stocks		73,659		47,832	
Debtors	5	36,033		19,443	
Cash at bank and in hand		205,179		196,578	
		<u>314,871</u>		<u>263,853</u>	
Creditors: amounts falling due within one year	6	(29,539)		(148,423)	
Net current assets			285,332		115,430
Total assets less current liabilities			<u>3,391,709</u>		<u>3,209,444</u>
Creditors: amounts falling due after more than one year	7		(647,410)		(647,410)
Provisions for liabilities			(99,085)		(107,462)
Net assets			<u>2,645,214</u>		<u>2,454,572</u>
Capital and reserves					
Called up share capital			1		1
Revaluation reserve			748,819		748,819
Profit and loss reserves			1,896,394		1,705,752
Total equity			<u>2,645,214</u>		<u>2,454,572</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

NORTHERN COMMERCIAL PROPERTIES LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2017

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20/12/17 and are signed on its behalf by:



L A Ilderton

Director

NORTHERN COMMERCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Northern Commercial Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is Estates Office, Alnwick Castle, Alnwick, Northumberland, United Kingdom, NE66 1NQ.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Northern Commercial Properties Limited prepared in accordance with FRS 102. The financial statements of Northern Commercial Properties Limited for the year ended 31 March 2016 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date and are detailed in note 10.

Turnover

Turnover is recognised by the company in respect of goods and services supplied during the year, and is shown net of VAT and trade discounts.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

NORTHERN COMMERCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Fixed asset investments

Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks comprise development land and are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

NORTHERN COMMERCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

NORTHERN COMMERCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

2 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2016	445
Disposals	(445)
At 31 March 2017	-
Depreciation and impairment	
At 1 April 2016	408
Eliminated in respect of disposals	(408)
At 31 March 2017	-
Carrying amount	
At 31 March 2017	-
At 31 March 2016	37

3 Investment property

	2017 £
Fair value	
At 1 April 2016 and 31 March 2017	1,050,027

Investment property comprises Willowburn Industrial Estate. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2013 by Smiths Gore Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

4 Fixed asset investments

	2017 £	2016 £
Investments	2,008,750	2,008,750
Listed investments	47,600	35,200
	<u>2,056,350</u>	<u>2,043,950</u>

NORTHERN COMMERCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in associated companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2016	2,008,750	35,200	2,043,950
Fair value gains	-	12,400	12,400
At 31 March 2017	2,008,750	47,600	2,056,350
Carrying amount			
At 31 March 2017	2,008,750	47,600	2,056,350
At 31 March 2016	2,008,750	35,200	2,043,950

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	7,443	4,414
Other debtors	28,590	15,029
	36,033	19,443

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,436	12,520
Corporation tax	-	4,675
Other creditors	7,453	112,453
Accruals and deferred income	17,650	18,775
	29,539	148,423

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	647,410	647,410

NORTHERN COMMERCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

8 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	99,085	107,462
	<u>99,085</u>	<u>107,462</u>

9 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Associated companies	-	100,000
Directors	653,410	653,410
Other related parties	1,453	6,453
	<u>654,863</u>	<u>759,863</u>

These are related parties due to the companies being under common control or the control of a close family member of the directors.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2016: £nil) in respect of bad debts from related parties.

The following amounts were outstanding at the reporting end date:

	2017 Balance £
Amounts owed by related parties	
Other related parties	6,000
	<u>6,000</u>

There were no amounts owed in the previous period.

These are related parties due to the companies being under common control or the control of a close family member of the directors.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2016: £nil) in respect of bad debts from related parties.

NORTHERN COMMERCIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 April 2015 £	31 March 2016 £
Equity as reported under previous UK GAAP		2,528,620	2,562,034
Adjustments arising from transition to FRS 102:			
Fair value of listed investments	(a)	18,200	-
Deferred tax	(b)	(120,486)	(107,462)
Equity reported under FRS 102		<u>2,426,334</u>	<u>2,454,572</u>

Reconciliation of profit for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		33,414
Adjustments arising from transition to FRS 102:		
Fair value of listed investments	(a)	(18,200)
Deferred tax	(b)	13,024
Profit reported under FRS 102		<u>28,238</u>

Notes to reconciliations on adoption of FRS 102

(a) Fair value of listed investments

Under FRS 102, listed investments are required to be measured at their fair value, which is based on their market value on the London Stock Exchange at the reporting date. This has led to an increase in listed investments at 1 April 2015 of £18,200 and a corresponding increase in equity of £18,200. At 31 March 2016, the fair value of the listed investments decreased by £3,800.

Due to the increase in valuation of the listed investments at 1 April 2015, the prior year impairment reversal is no longer recognised. This has led to prior year profit reducing by a further £14,400.

(b) Deferred tax

Under FRS 102, a deferred tax charge is recognised on investment property fair value gains. This has led to a decrease in equity of £120,486 at 1 April 2015 and an increase in provisions for liabilities of £120,486. At 31 March 2016, a deferred tax credit of £13,024 has been recognised.