

SOMERSET ESTATES LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

SOMERSET ESTATES LIMITED

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FOR THE YEAR ENDED 30 JUNE 2017**

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SOMERSET ESTATES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2017**

DIRECTORS: P R Tennant
T P Tennant

SECRETARY: S D Tennant

REGISTERED OFFICE: 4th Floor Tuition House
27/37 St George's Road
Wimbledon
London
SW19 4EU

REGISTERED NUMBER: 01587885 (England and Wales)

AUDITORS: BDO LLP
55 Baker Street
Westminster
London
W1U 7EU

SOMERSET ESTATES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2017**

The directors present their report with the financial statements of the company for the year ended 30 June 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment.

DIRECTORS

P R Tennant has held office during the whole of the period from 1 July 2016 to the date of this report.

Other changes in directors holding office are as follows:

T P Tennant was appointed as a director after 30 June 2017 but prior to the date of this report.

S D Tennant ceased to be a director after 30 June 2017 but prior to the date of this report.

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each 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 auditors are aware of that information.

AUDITORS

The auditors, BDO LLP, who were appointed as the company's first auditors in the year, have expressed a willingness to continue in office and will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
P R Tennant - Director

Date: 19 December 2017

Opinion

We have audited the financial statements of Somerset Estates Limited ("the Company") for the year ended 30 June 2017 which comprise the income statement, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Matter

The corresponding figures for the year ended 30 June 2016 are not audited.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOMERSET ESTATES LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

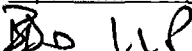
Auditor's responsibilities for the audit of the financial statements

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Richard Levy (Senior Statutory Auditor)
for and on behalf of BDO LLP, statutory auditor
London

19 DEC 2017

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SOMERSET ESTATES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	2016 £
TURNOVER	3	855,942	389,006
Cost of sales		<u>624,336</u>	<u>90,228</u>
GROSS PROFIT		231,606	298,778
Administrative expenses		<u>162,467</u>	<u>172,801</u>
		69,139	125,977
Other operating income		2,500	250
Gain/loss on revaluation of investment property		<u>324,513</u>	<u>-</u>
OPERATING PROFIT	5	396,152	126,227
Interest receivable and similar income		<u>51</u>	<u>102</u>
		396,203	126,329
Interest payable and similar expenses		<u>143,515</u>	<u>87,793</u>
PROFIT BEFORE TAXATION		252,688	38,536
Tax on profit	7	<u>40,364</u>	<u>6,241</u>
PROFIT FOR THE FINANCIAL YEAR		212,324	32,295
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>212,324</u>	<u>32,295</u>

The notes form part of these financial statements

BALANCE SHEET
30 JUNE 2017

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		3,802		4,473
Investment property	9		<u>8,870,000</u>		<u>7,823,851</u>
			8,873,802		7,828,324
CURRENT ASSETS					
Stocks		15,000		572,976	
Debtors	10	13,272		8,535	
Cash at bank and in hand		<u>367,760</u>		<u>664,071</u>	
		396,032		1,245,582	
CREDITORS					
Amounts falling due within one year	11	<u>923,732</u>		<u>60,052</u>	
NET CURRENT (LIABILITIES)/ASSETS					
			<u>(527,700)</u>		<u>1,185,530</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			8,346,102		9,013,854
CREDITORS					
Amounts falling due after more than one year	12		(2,590,346)		(3,510,786)
PROVISIONS FOR LIABILITIES					
	15		<u>(814,290)</u>		<u>(773,926)</u>
NET ASSETS					
			<u>4,941,466</u>		<u>4,729,142</u>
CAPITAL AND RESERVES					
Called up share capital	16		8		8
Share premium	17		4,998		4,998
Fair value reserve	17		4,312,510		4,022,592
Retained earnings	17		<u>623,950</u>		<u>701,544</u>
SHAREHOLDERS' FUNDS					
			<u>4,941,466</u>		<u>4,729,142</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 19 December 2017 and were signed on its behalf by:


 P R Tennant - Director

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Somerset Estates Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements are the first financial statements that have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. Details of the impact of transition are given in note 19. The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property.

Going Concern

The financial statements have been prepared on a going concern basis. Subsequent to the year-end the loan balance of £832,195 which was due for payment within one year has been extended with a maturity date in 2022. The directors, in their consideration of going concern, have reviewed the company's future cash forecasts and revenue projections, and believes, based on those forecasts and projections, that it is appropriate to prepare the company financial statements on a going concern basis.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. Included in these judgements and estimates are:

Investment properties - the company carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The company engaged an independent valuation expert to determine fair value at 30 June 2017. The key assumptions used to determine the fair value included current market rents, transactions and yields for comparable properties. However there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Operating leases - the company has entered into commercial property leases as a lessor on some of its investment property portfolio. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset to be recognised in the statement of financial position.

Deferred tax - deferred tax is directly and indirectly impacted by the estimation uncertainty arising within the investment property valuation through the timing difference that exists between the valuation and the tax base cost of the properties.

Turnover

Turnover represents revenue recognised by the company in respect of property sales and rent receivable. Revenue is measured at fair value of the consideration received or receivable. Property sales are recognised on legal completion. Rental income is recognised on an accruals basis. Lease incentives granted to tenants are spread over the term of the lease.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
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Investment property

Investment property is carried at fair value determined annually by external valuers and derived from current market rents, transactions and yields for comparable property. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss. No depreciation is provided.

Stocks

Work in progress is valued at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost includes the acquisition cost of property along with directly attributable costs incurred in order to bring the property to its intended use. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. ACCOUNTING POLICIES - continued**Financial instruments****Borrowing costs**

Borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Borrowings are subsequently measured at amortised cost under the effective interest rate method, less impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivables or payables within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease. Any excess impairment above previous revaluations is recognised in profit or loss.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2017	2016
	£	£
Property disposals	632,000	140,752
Rents received as turnover	<u>223,942</u>	<u>248,254</u>
	<u>855,942</u>	<u>389,006</u>

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2016 - 2).

No directors received any remuneration in the year (2016:£nil).

SOMERSET ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation - owned assets	<u>671</u>	<u>789</u>

6. AUDITORS' REMUNERATION

Fees payable to the company's auditors for the audit of the company's financial statements

	2017 £	2016 £
	<u>35,000</u>	<u>-</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2017 £	2016 £
UK Corporation tax	-	17,395
Deferred tax	<u>40,364</u>	<u>(11,154)</u>
Tax on profit on ordinary activities	<u>40,364</u>	<u>6,241</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 July 2016 and 30 June 2017	<u>25,867</u>
DEPRECIATION	
At 1 July 2016	21,394
Charge for year	<u>671</u>
At 30 June 2017	<u>22,065</u>
NET BOOK VALUE	
At 30 June 2017	<u>3,802</u>
At 30 June 2016	<u>4,473</u>

9. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 July 2016	7,823,851
Additions	776,636
Disposals	(55,000)
Revaluations	<u>324,513</u>
At 30 June 2017	<u>8,870,000</u>
NET BOOK VALUE	
At 30 June 2017	<u>8,870,000</u>
At 30 June 2016	<u>7,823,851</u>

The company's investment properties have been valued by an independent valuer as at 30 June 2017. Details of the estimates and assumptions made and key sources of estimation uncertainty are provided in the accounting policies.

Fair value at 30 June 2017 is represented by:

	£
Cost	3,743,198
Valuation uplift	<u>5,126,802</u>
	<u>8,870,000</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	7,187	-
Other debtors	<u>6,085</u>	<u>8,535</u>
	<u>13,272</u>	<u>8,535</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 13)	832,195	30,811
Taxation and social security	-	17,395
Other creditors	<u>91,537</u>	<u>11,846</u>
	<u>923,732</u>	<u>60,052</u>

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

	2017 £	2016 £
Bank loans (see note 13)	1,985,327	2,769,802
Other creditors (see note 18)	<u>605,019</u>	<u>740,984</u>
	<u>2,590,346</u>	<u>3,510,786</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Other loans	<u>605,019</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

13. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year or on demand: Bank loans	<u>832,195</u>	<u>30,811</u>
Amounts falling due between one and two years: Bank loans - 1-2 years	<u>381,366</u>	<u>608,195</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>1,603,961</u>	<u>2,161,607</u>
Amounts falling due in more than five years: Repayable otherwise than by instalments Other loans	<u>605,019</u>	<u>-</u>

All of the company's bank debts bear interest on a variable interest rate and are either linked to LIBOR or the Bank of England base rate, the margins vary from 2.75% to 3.9%.

14. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank loans	<u>2,817,522</u>	<u>2,800,613</u>

Loans are secured on the property to which they relate.

15. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>814,290</u>	<u>773,926</u>
		Deferred tax £
Balance at 1 July 2016		773,926
Charge to Statement of Comprehensive Income during year		<u>40,364</u>
Balance at 30 June 2017		<u>814,290</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017	2016
		£1	£	£
4	Ordinary		<u>4</u>	<u>4</u>
Allotted and issued:				
Number:	Class:	Nominal value:	2017	2016
		£1	£	£
4	A Ordinary		<u>4</u>	<u>4</u>

17. RESERVES

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 1 July 2016	701,544	4,998	4,022,592	4,729,134
Profit for the year	212,324			212,324
Revaluation movement	<u>(289,918)</u>	<u>-</u>	<u>289,918</u>	<u>-</u>
At 30 June 2017	<u>623,950</u>	<u>4,998</u>	<u>4,312,510</u>	<u>4,941,458</u>

The fair value reserve represents the fair value of investment properties net of tax.

18. RELATED PARTY DISCLOSURES

At the balance sheet date the company owed to P Tennant £335,571 and to S Tennant £119,449 (2016: £331,202 to P Tennant and £116,670, to S Tennant) in respect of their directors' loan accounts. The loans bear no interest, are not secured and are repayable on the earlier of the sale of the properties and 2026.

During the year S Tennant made loans to the company totalling £nil (2016: £99,999) in connection with the purchase of certain investment properties. At the balance sheet date £149,999 (2016: £293,112) was outstanding. The loans are not secured, bear no interest and are repayable on the earlier of the sale of the properties and 2026.

Subsequent to the year end, an amended loan agreement was entered into with the Company's directors to increase the interest rate to 6% per annum.

Other than the directors there are no key management personnel.

19. FIRST YEAR TRANSITION

The company's date of transition to FRS 102 was 1 July 2015.

Two transitional adjustments have been made to the comparative figures and the company's financial position and performance has been affected by the transition to FRS 102.

The investment properties were previously accounted for under the FRSSSE (effective January 2015), which required the gains and losses on the open market values to be taken to a revaluation reserve in equity. The property is being measured at fair value under FRS 102 and deferred tax accounted for, fair value gains and losses are reported in profit or loss. Details of which are on the following pages.

The interest free long term directors' loans included within other creditors were previously held at par. The optional interim relief to carry directors' loans at par for small entities under FRS 102 was not taken so the loans were presented initially at present value and then under the effective interest rate method for which management have assessed the market rate of interest to be 6% per annum.

SOMERSET ESTATES LIMITED

RECONCILIATION OF EQUITY
1 JULY 2015
(DATE OF TRANSITION TO FRS 102)

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	5,262	-	5,262
Investment property	<u>6,985,000</u>	<u>-</u>	<u>6,985,000</u>
	<u>6,990,262</u>	<u>-</u>	<u>6,990,262</u>
CURRENT ASSETS			
Stocks	98,362	-	98,362
Debtors	16,639	-	16,639
Cash at bank	<u>39,292</u>	<u>-</u>	<u>39,292</u>
	<u>154,293</u>	<u>-</u>	<u>154,293</u>
CREDITORS			
Amounts falling due within one year	<u>(41,571)</u>	<u>-</u>	<u>(41,571)</u>
NET CURRENT ASSETS	<u>112,722</u>	<u>-</u>	<u>112,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	7,102,984	-	7,102,984
CREDITORS			
Amounts falling due after more than one year	(1,697,100)	76,043	(1,621,057)
PROVISIONS FOR LIABILITIES	<u>-</u>	<u>(785,080)</u>	<u>(785,080)</u>
NET ASSETS	<u>5,405,884</u>	<u>(709,037)</u>	<u>4,696,847</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	8
Share premium	4,998	-	4,998
Revaluation reserve	4,796,518	(4,796,518)	-
Fair value reserve	-	4,011,438	4,011,438
Retained earnings	<u>604,360</u>	<u>76,043</u>	<u>680,403</u>
SHAREHOLDERS' FUNDS	<u>5,405,884</u>	<u>(709,037)</u>	<u>4,696,847</u>

The notes form part of these financial statements

SOMERSET ESTATES LIMITED

RECONCILIATION OF EQUITY - continued
30 JUNE 2016

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	4,473	-	4,473
Investment property	<u>7,823,851</u>	<u>-</u>	<u>7,823,851</u>
	<u>7,828,324</u>	<u>-</u>	<u>7,828,324</u>
CURRENT ASSETS			
Stocks	572,976	-	572,976
Debtors	8,535	-	8,535
Cash at bank	<u>664,071</u>	<u>-</u>	<u>664,071</u>
	<u>1,245,582</u>	<u>-</u>	<u>1,245,582</u>
CREDITORS			
Amounts falling due within one year	<u>(60,052)</u>	<u>-</u>	<u>(60,052)</u>
NET CURRENT ASSETS	<u>1,185,530</u>	<u>-</u>	<u>1,185,530</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	9,013,854	-	9,013,854
CREDITORS			
Amounts falling due after more than one year	(3,549,915)	39,129	(3,510,786)
PROVISIONS FOR LIABILITIES	<u>-</u>	<u>(773,926)</u>	<u>(773,926)</u>
NET ASSETS	<u>5,463,939</u>	<u>(734,797)</u>	<u>4,729,142</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	8
Share premium	4,998	-	4,998
Revaluation reserve	4,796,518	(4,796,518)	-
Fair value reserve	-	4,022,592	4,022,592
Retained earnings	<u>662,415</u>	<u>39,129</u>	<u>701,544</u>
SHAREHOLDERS' FUNDS	<u>5,463,939</u>	<u>(734,797)</u>	<u>4,729,142</u>

The notes form part of these financial statements

SOMERSET ESTATES LIMITED**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 30 JUNE 2016**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	389,006	-	389,006
Cost of sales	<u>(90,228)</u>	-	<u>(90,228)</u>
GROSS PROFIT	298,778	-	298,778
Administrative expenses	(172,801)	-	(172,801)
Other operating income	250	-	250
	<u> </u>	<u> </u>	<u> </u>
OPERATING PROFIT	126,227	-	126,227
Interest receivable and similar income	102	-	102
Interest payable and similar expenses	<u>(50,879)</u>	<u>(36,914)</u>	<u>(87,793)</u>
PROFIT BEFORE TAXATION	75,450	(36,914)	38,536
Tax on profit	<u>(17,395)</u>	<u>11,154</u>	<u>(6,241)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>58,055</u>	<u>(25,760)</u>	<u>32,295</u>

The notes form part of these financial statements

SOMERSET ESTATES LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	£	£	£	£
Turnover				
Sales	632,000		140,752	
Rents received as turnover	<u>223,942</u>		<u>248,254</u>	
		855,942		389,006
Cost of sales				
Opening stock	572,984		98,362	
Property development	<u>66,352</u>		<u>564,850</u>	
	639,336		663,212	
Closing stock	<u>(15,000)</u>		<u>(572,984)</u>	
		<u>624,336</u>		<u>90,228</u>
GROSS PROFIT		231,606		298,778
Other income				
Sundry receipts	-		250	
Profit on sale of tangible fixed assets	2,500		-	
Deposit account interest	<u>51</u>		<u>102</u>	
		<u>2,551</u>		<u>352</u>
		234,157		299,130
Gain/loss on revaluation of assets				
Gain/loss on revaluation of investment property		<u>324,513</u>		<u>-</u>
		558,670		299,130
Expenditure				
Meetings	785		891	
Telephone	1,313		1,389	
Post and stationery	756		1,357	
Motor expenses	465		1,316	
Licences and insurance	4,951		4,821	
Repairs and renewals	25,865		46,006	
Household and cleaning	100		450	
Computer costs	-		65	
Sundry expenses	227		-	
Accountancy	6,920		4,560	
Ground rent & services	23,135		18,153	
Consultancy fees	46,381		50,000	
Legal fees	9,037		21,671	
Auditors' remuneration	35,000		-	
Donations	320		434	
Depreciation of tangible fixed assets	671		789	
Bad debts	<u>93</u>		<u>-</u>	
		<u>156,019</u>		<u>151,902</u>
		402,651		147,228

This page does not form part of the statutory financial statements

SOMERSET ESTATES LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	£	£	£	£
Finance costs				
Bank charges	6,448		20,899	
Bank loan interest	104,386		50,879	
Interest payable	<u>39,129</u>		<u>36,914</u>	
		<u>149,963</u>		<u>108,692</u>
NET PROFIT		<u>252,688</u>		<u>38,536</u>

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