Company Registration No. 06952256 (England and Wales)

INNBRIGHTON PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

REGISTRAR'S COPY
OF ACCOUNTS

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Cavendish
Chartered Certified Accountants
68 Grafton Way
London
W1T 5DS

Ref: 6435

INNBRIGHTON PROPERTIES LIMITED

COMPANY INFORMATION

Directors	A A Khan	
	A C Smith	
	D J Kennedy	(Appointed 1 February 2016)
	B Green	(Appointed 1 February 2016)
	A Pickering	(Appointed 6 October 2016)
Secretary	A A Khan	
Company number	06952256	
Registered office	Parkway House Sheen Lane East Sheen London SW14 8LS	
Auditor	Cavendish Chartered Certified Accountants Statutory Auditor 68 Grafton Way London W1T 5DS	

INNBRIGHTON PROPERTIES LIMITED

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INNBRIGHTON PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities
The principal activity of the company continued to be that of property investment.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A A Khan	
A C Smith	
D J Kennedy	(Appointed 1 February 2016)
B Green	(Appointed 1 February 2016)
A Pickering	(Appointed 6 October 2016)

Results and dividends
The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor
The auditor, Cavendish, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report 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). 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

A A Khan
Secretary
6 December 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INNBRIGHTON PROPERTIES LIMITED

We have audited the financial statements of InnBrighton Properties Limited for the year ended 31 March 2016 set out on pages 5 to 16. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 31 March 2016 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.

- 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 have been prepared in accordance with applicable legal requirements.

In 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 directors' report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INNBRIGHTON PROPERTIES LIMITED

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 company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Cavendish

Sonja Henry FCA (Senior Statutory Auditor)
for and on behalf of Cavendish

7 December 2016

Chartered Certified Accountants
Statutory Auditor

68 Grafton Way
London
W1T 5DS

INNBRIGHTON PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 as restated £
Turnover	4	291,234	259,781
Administrative expenses		(8,942)	(13,383)
Operating profit	5	282,292	246,398
Interest payable and similar charges	6	(106)	-
Fair value gains and losses on investment properties		455	(496,455)
Profit/(loss) before taxation		282,641	(250,057)
Taxation	7	(54,835)	(50,485)
Profit/(loss) for the financial year	12	227,806	(300,542)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

INNBRIGHTON PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	2016 £	2015 as restated £	2015 as restated £
Fixed assets					
Investment properties	8		4,519,733		4,519,733
Current assets					
Debtors	9	107		1,048	
Cash at bank and in hand		67,574		12,867	
		67,681		13,915	
Creditors: amounts falling due within one year	10	(1,246,975)		(1,421,015)	
Net current liabilities			(1,179,294)		(1,407,100)
Total assets less current liabilities			3,340,439		3,112,633
Capital and reserves					
Called up share capital	11		3,351,262		3,351,262
Profit and loss reserves	12		(10,823)		(238,629)
Total equity			3,340,439		3,112,633

The financial statements were approved by the board of directors and authorised for issue on 6 December 2016 and are signed on its behalf by:

A C Smith
Director

Company Registration No. 06952256

INNBRIGHTON PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
As restated for the period ended 31 March 2015:				
Balance at 1 April 2014		3,351,262	61,913	3,413,175
Year ended 31 March 2015:				
Loss and total comprehensive income for the year		-	(300,542)	(300,542)
Balance at 31 March 2015		3,351,262	(238,629)	3,112,633
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	227,806	227,806
Balance at 31 March 2016		3,351,262	(10,823)	3,340,439

Included in profit and loss account reserves are unrealised losses totalling £496,455 which relate to fair value adjustments to the carrying value of investment properties.

1 Accounting policies

Company information

InnBrighton Properties Limited is a company limited by shares incorporated in England and Wales. The registered office is Parkway House, Sheen Lane, East Sheen, London, SW14 8LS.

1.1 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.

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 investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of InnBrighton Properties Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company will be consolidated in the financial statements of Glenstone Property PLC. These consolidated financial statements will be available from its registered office, Parkway House, Sheen Lane, London SW14 8LS.

1 Accounting policies **(Continued)**

1.2 Going concern

As at 31 March 2016, the company had net current liabilities of £1,179,294. The directors have obtained confirmation from London & Surrey Property Holdings Limited, the ultimate parent company and principal creditor, that it will continue to provide ongoing financial support to enable the company to continue in business and meet its liabilities as they fall due for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of parent company support.

1.3 Turnover

Turnover is recognised at the fair value of rents received from properties, and is shown net of VAT and other sales related taxes.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

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

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 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 in the company's statement of financial position 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments
Equity instruments issued by the company are recorded at the 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.

1.8 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Change in accounting policy

Previously the company carried investment property at cost. The company has changed its accounting policy to carry investment property at market value. The effect of this change in accounting policy is to decrease the carrying value of investment properties as at 31 March 2015 by £496,000 and to reduce reserves by £496,000.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover		
Rent receivable	291,234	259,781

4 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2016	2015
	£	£
United Kingdom	291,234	259,781

5 Operating profit

	2016	2015
Operating profit for the year is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	2,400	2,400

6 Interest payable and similar charges

	2016	2015
	£	£
Other interest	106	-
	106	-

7 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	53,710	50,485
Adjustments in respect of prior periods	1,125	-
Total current tax	54,835	50,485

7 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit/(loss) before taxation	282,641	(250,057)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	56,528	(52,512)
Tax effect of income not taxable in determining taxable profit	(2,727)	-
Adjustments in respect of prior years	1,125	-
Effect of revaluations of investment properties	(91)	104,256
Tax at marginal rate	-	(1,259)
Tax expense for the year	54,835	50,485

The company obtained Real Estate Investment Trust status on 1 February 2016 and accordingly its profits are not subject to corporation tax with effect from that date.

8 Investment property

	2016 £
Fair value	
At 1 April 2015 and 31 March 2016	4,519,733

Investment property comprises freehold land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out as at 31 March 2016 by the directors. The valuation was made on an open market value basis by reference to existing use.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £	2015 £
Cost	4,891,084	4,891,084
Accumulated depreciation	-	-
Carrying amount	4,891,084	4,891,084

9 Debtors

Amounts falling due within one year:	2016 £	2015 £
Other debtors	-	500
Prepayments and accrued income	107	548
	107	1,048

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts due to group undertakings	1,122,500	1,357,500
Corporation tax	53,710	50,485
Other taxation and social security	5,187	-
Accruals and deferred income	65,578	13,030
	1,246,975	1,421,015

11 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
3,351,262 ordinary shares of £1 each	3,351,262	3,351,262

12 Profit and loss reserves

	2016 £	2015 as restated £
At the beginning of the year	(238,629)	61,913
Profit/(loss) for the year	227,806	(300,542)
At the end of the year	(10,823)	(238,629)

Included in profit and loss account reserves are unrealised losses totalling £496,455 which relate to fair value adjustments to the carrying value of investment properties.

13 Controlling party

The immediate parent company and controlling party is London & Surrey Property Holdings Limited.

The ultimate parent company is Glenstone Property PLC.

The smallest and largest group into which the company is consolidated is Glenstone Property PLC.

14 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

	1 April 2014 £	31 March 2015 £
Equity as reported under previous UK GAAP and under FRS 102	3,413,175	3,609,088
Adjustments to prior year (note 15)	-	(496,455)
As restated	3,413,175	3,112,633

Reconciliation of profit/(loss) for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		195,913
Adjustments arising from transition to FRS 102:		
Fair value adjustments to investment properties transferred to profit and loss		(496,455)
Loss reported under FRS 102		(300,542)

Notes to reconciliations on adoption of FRS 102

Investment property fair value adjustment transferred to profit and loss account
On transition of Financial Reporting Standard 102, fair value adjustments to investment properties have been recognised in the profit and loss account.

15 Prior period adjustment

Changes to the balance sheet

Balances as restated before FRS 102 transition adjustments:	At 31 March 2015 As previously reported	 Adjustment at 1 Apr 2014	 Adjustment at 31 Mar 2015	 As restated
	£	£	£	£
Fixed assets				
Investment properties	5,016,188	-	(496,455)	4,519,733
Capital and reserves				
Revaluation reserve	-	-	(496,455)	(496,455)

Changes to the profit and loss account

Balances as restated before FRS 102 transition adjustments:	Period ended 31 March 2015 As previously reported	 Adjustment	 As restated
	£	£	£
Profit/(loss) for the financial period	195,913	-	195,913

There was no effect on the profit and loss account as a result of this prior period adjustment.