

Registered number: 00836234

FOLKES PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



FOLKES PROPERTIES LIMITED

COMPANY INFORMATION

Directors	C J Folkes P M Turner C L Folkes A A Folkes S J Folkes A S Parker P Tomlinson M T Bennett M King
Company secretary	P Tomlinson
Registered number	00836234
Registered office	Forge House Dudley Road Lye West Midlands DY9 8EL
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor Birmingham B3 2RT
Bankers	HSBC Bank plc 114 High Street Stourbridge West Midlands DY8 1DZ

FOLKES PROPERTIES LIMITED

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FOLKES PROPERTIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £904,942 (2015 - £1,682,504).

There were no dividends paid in the current or prior year.

Directors

The directors who served during the year were:

C J Folkes
P M Turner
C L Folkes
A A Folkes
S J Folkes

A S Parker
P Tomlinson
M T Bennett
M King

FOLKES PROPERTIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 August 2017 and signed on its behalf.



P M Turner
Director

Independent auditor's report to the members of Folkes Properties Limited

We have audited the financial statements of Folkes Properties Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. 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 page 1, 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 December 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, 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Ian Holder (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street

Birmingham

B3 2RT

18 August 2017

FOLKES PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		1,101,687	1,153,431
Gross profit		1,101,687	1,153,431
Administrative expenses		(54,381)	(156,127)
Fair value movements		(19,836)	987,623
Operating profit		1,027,470	1,984,927
Interest receivable and similar income	5	79	-
Profit before tax		1,027,549	1,984,927
Tax on profit	6	(122,607)	(302,423)
Profit for the year		904,942	1,682,504
Other comprehensive income for the year			
Total comprehensive income for the year		904,942	1,682,504

FOLKES PROPERTIES LIMITED
REGISTERED NUMBER: 00836234

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	7	96,437	96,437
Investment property	8	14,769,214	14,789,050
		<u>14,865,651</u>	<u>14,885,487</u>
Current assets			
Debtors: amounts falling due within one year	9	1,837,511	1,410,156
Cash at bank and in hand	10	633,899	358,709
		<u>2,471,410</u>	<u>1,768,865</u>
Creditors: amounts falling due within one year	11	(6,064,197)	(6,195,804)
Net current liabilities		<u>(3,592,787)</u>	<u>(4,426,939)</u>
Total assets less current liabilities		<u>11,272,864</u>	<u>10,458,548</u>
Provisions for liabilities			
Deferred tax	13	(514,228)	(604,854)
		<u>(514,228)</u>	<u>(604,854)</u>
Net assets		<u><u>10,758,636</u></u>	<u><u>9,853,694</u></u>
Capital and reserves			
Called up share capital		10,000	10,000
Share premium account	14	111,494	111,494
Revaluation reserve	14	7,187,283	7,156,964
Other reserves	14	1,181,940	1,181,940
Profit and loss account	14	2,267,919	1,393,296
		<u>10,758,636</u>	<u>9,853,694</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 August 2017.



P M Turner
Director

The notes on pages 9 to 19 form part of these financial statements.

FOLKES PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2016	10,000	111,494	7,156,964	1,181,940	1,393,296	9,853,694
Comprehensive income for the year						
Profit for the year	-	-	-	-	904,942	904,942
Total comprehensive income for the year	-	-	-	-	904,942	904,942
Total other reserve movements	-	-	30,319	-	(30,319)	-
At 31 December 2016	10,000	111,494	7,187,283	1,181,940	2,267,919	10,758,636

FOLKES PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2015 (as previously stated)	10,000	111,494	6,219,496	1,181,940	608,205	8,131,135
Prior year adjustment	-	-	-	-	40,055	40,055
At 1 January 2015 (as restated)	10,000	111,494	6,219,496	1,181,940	648,260	8,171,190
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,682,504	1,682,504
Total comprehensive income for the year	-	-	-	-	1,682,504	1,682,504
Total other reserve movements	-	-	937,468	-	(937,468)	-
At 31 December 2015	10,000	111,494	7,156,964	1,181,940	1,393,296	9,853,694

The notes on pages 9 to 19 form part of these financial statements.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.4 Investment property

Investment property is carried at fair value determined annually either by external valuers or the company's RICS qualified valuer and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Investment Properties

The investment property valuation contains a number of assumptions upon which the directors have based their valuation of the company's properties. The assumptions on which the property valuation reports have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions. These assumptions are market standard and accord with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards 2012. However, if any assumptions made by the property valuer prove to be inaccurate, this may mean that the value of the company's properties differs from their valuation, which could have a material effect on the company's financial position.

3. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>3,000</u>	<u>2,500</u>

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

5. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>79</u>	-
	<u>79</u>	-

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	213,233	211,976
Adjustments in respect of previous periods	-	(507)
	213,233	211,469
Total current tax	213,233	211,469
Deferred tax		
Origination and reversal of timing differences	(57,023)	142,343
Changes to tax rates	(33,603)	(51,389)
	(90,626)	90,954
Total deferred tax	(90,626)	90,954
Taxation on profit on ordinary activities	122,607	302,423

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,027,549	1,984,927
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	205,510	401,879
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,999	-
Adjustments to tax charge in respect of prior periods	-	(507)
Effect of revaluation of investment properties	(61,362)	(29,794)
Effect of changes in tax rate	(23,540)	(69,155)
Total tax charge for the year	122,607	302,423

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate was 20% throughout the period ended 31 December 2016. Further reductions to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016, respectively. The rate of 17% is used for the calculation of the deferred tax position as at 31 December 2016 on the basis that it will materially reverse after 1 April 2020.

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	374,785
At 31 December 2016	<u>374,785</u>
Impairment	
At 1 January 2016	278,348
At 31 December 2016	<u>278,348</u>
Net book value	
At 31 December 2016	<u>96,437</u>
At 31 December 2015	<u>96,437</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Newbank Construction (Halesowen) Ltd	UK	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Fixed asset investments (continued)

	Aggregate of share capital and reserves £
Newbank Construction (Halesowen) Ltd	97,017

8. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	14,789,050
Deficit on valuation	(19,836)
At 31 December 2016	14,769,214
Comprising	
Cost	13,801,427
Annual revaluation surplus/(deficit):	
2015	987,623
2016	(19,836)
At 31 December 2016	14,769,214

The 2016 valuations were made by CBRE Limited a RICS Registered Valuer, on an open market value for existing use basis.

FOLKES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. Debtors

	2016 £	2015 £
Trade debtors	199,435	204,684
Amounts owed by group undertakings	1,527,290	1,010,522
Other debtors	110,786	194,950
	<u>1,837,511</u>	<u>1,410,156</u>

10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	633,899	358,709
	<u>633,899</u>	<u>358,709</u>

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	924	42,568
Amounts owed to group undertakings	4,416,000	4,416,000
Amounts owed to associates	104,400	104,400
Corporation tax	149,505	96,976
Other taxation and social security	124,021	103,779
Other creditors	1,269,347	1,432,081
	<u>6,064,197</u>	<u>6,195,804</u>

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	633,899	358,709
Financial assets that are debt instruments measured at amortised cost	1,837,511	1,410,156
	2,471,410	1,768,865
Financial liabilities		
Financial liabilities measured at amortised cost	(5,790,671)	(5,995,049)
	(5,790,671)	(5,995,049)

13. Deferred taxation

	2016 £	2015 £
At beginning of year	(604,854)	(513,900)
Charged to the profit or loss	90,626	(90,954)
At end of year	(514,228)	(604,854)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(172,985)	(182,941)
Other timing difference	16,988	16,187
Revaluation	(358,231)	(438,100)
	(514,228)	(604,854)

FOLKES PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Revaluation reserve

Includes increases in reserves due to revaluation of investment properties

Other reserves

Capital redemption reserve resulting from the purchase of own shares

Profit & loss account

Includes all current and prior period retained profits and losses

15. Contingent liabilities

The Company is party to an unlimited guarantee to secure balances due to bankers by certain members of the group headed by Folkes Holdings Jersey Limited. At 31 December 2016 the secured bank borrowings were £34,495,000 (2015 - £35,685,000).

16. Related party transactions

During the year the company entered into transactions with various related parties and had outstanding balance at the year end receivable / (payable) as detailed below:

	2016 £	2015 £
John Folkes (Lye Forge) Ltd balance payable	(4,146,000)	(4,146,000)
Somers Forge Ltd balance payable	(104,000)	(104,000)
Folkes Holdings Ltd management charge	220,000	181,000
Folkes Holdings Ltd balance receivable	1,527,290	1,010,522
	<u>1,527,290</u>	<u>1,010,522</u>

17. Controlling party

The Company's immediate parent undertaking is John Folkes (Lye Forge) Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking is Folkes Holdings Jersey Limited, a company registered in Jersey.

The Company's ultimate controlling party is Mr C J Folkes who has a beneficial interest in 51% of the voting rights of Folkes Holdings Jersey Limited.