

Company Registration Number: 05453405

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Farmont Baker Street Limited

Financial Statements

For the year ended 31st December 2016

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Farmont Baker Street Limited
Financial Statements
year ended 31st December 2016

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Farmont Baker Street Limited
Officers and Professional Advisers

Director	M. Dall'osso
Registered office	219 Baker Street, London, NW1 6XE.
Auditor	Benjamin, Taylor & Co., Chartered accountant & statutory auditor 201, Great Portland Street, London, W1W 5AB
Bankers	HSBC Bank plc, 129, New Bond Street, London, W1A 2JA.

Farmont Baker Street Limited
Director's Report
year ended 31st December 2016

The director presents his report and the financial statements of the group for the year ended 31st December 2016.

Director

The director who served the company during the year was as follows:

M. Dall'osso

Director's responsibilities statement

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies 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 director is 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. He is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

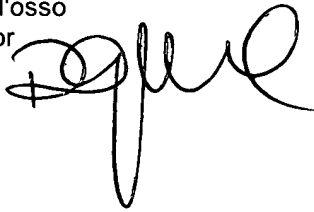
Farmont Baker Street Limited

Director's Report *(continued)*

year ended 31st December 2016

This report was approved by the board of directors on 9th August 2017 and signed on behalf of the board by:

M. Dall'osso
Director

A handwritten signature in black ink, appearing to read 'M. Dall'osso', written over the printed name and title.

Farmont Baker Street Limited

Independent Auditor's Report to the Members of Farmont Baker Street Limited

year ended 31st December 2016

We have audited the financial statements of Farmont Baker Street Limited for the year ended 31st December 2016 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the director's responsibilities statement, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's 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 group's and of the parent company's affairs as at 31st December 2016 and of the group's 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Farmont Baker Street Limited

Independent Auditor's Report to the Members of Farmont Baker Street Limited *(continued)*

year ended 31st December 2016

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the director was 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 director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Malcolm Adamson FCCA (Senior Statutory Auditor)

For and on behalf of
Benjamin, Taylor & Co.,
Chartered accountants & statutory auditors
201, Great Portland Street,
London,
W1W 5AB

9th August 2017

Farmont Baker Street Limited
Consolidated Statement of Income and Retained Earnings
year ended 31st December 2016

	Note	2016 £	2015 £
Turnover		5,734,392	5,064,872
Cost of sales		1,058,264	859,639
Gross Profit		4,676,128	4,205,233
Administrative expenses		1,130,963	824,250
Other operating income		17,376	19,115
Operating Profit		3,562,541	3,400,098
Other interest receivable and similar income		450	644
Interest payable and similar expenses		63,930	91,847
Profit Before Taxation	6	3,499,061	3,308,895
Tax on profit	7	698,137	695,579
Profit for the Financial Year and Total Comprehensive Income		<u>2,800,924</u>	<u>2,613,316</u>
Retained Earnings at the Start of the Year		3,474,657	861,341
Retained Earnings at the End of the Year		<u>6,275,581</u>	<u>3,474,657</u>

All the activities of the group are from continuing operations.

The notes on pages 10 to 19 form part of these financial statements.

Farmont Baker Street Limited
Company Statement of Income and Retained Earnings
year ended 31st December 2016

	Note	2016 £	2015 £
Profit for the financial year and total comprehensive income		42,486	(148,144)
Retained Earnings at the Start of the Year		<u>25,968,208</u>	<u>26,116,352</u>
Retained Earnings at the End of the Year		<u>26,010,694</u>	<u>25,968,208</u>

The notes on pages 10 to 19 form part of these financial statements.

Farmont Baker Street Limited
Consolidated Statement of Financial Position

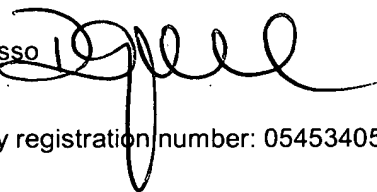
31st December 2016

	Note	2016 £	2015 £
Fixed Assets			
Tangible assets	8	175,030,691	175,011,216
Current Assets			
Debtors	10	438,157	737,466
Cash at bank and in hand		<u>1,798,265</u>	<u>3,184,953</u>
		2,236,422	3,922,419
Creditors: amounts falling due within one year	11	<u>67,038,991</u>	<u>71,506,437</u>
Net Current Liabilities		<u>64,802,569</u>	<u>67,584,018</u>
Total Assets Less Current Liabilities		110,228,122	107,427,198
Provisions			
Taxation including deferred tax		<u>8,385,530</u>	<u>9,038,767</u>
Net Assets		<u>101,842,592</u>	<u>98,388,431</u>
Capital and Reserves			
Called up share capital		2	2
Revaluation reserve	13	95,567,009	94,913,772
Profit and loss account	13	6,275,581	3,474,657
Members Funds		<u>101,842,592</u>	<u>98,388,431</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 9th August 2017, and are signed on behalf of the board by:

M. Dall'osso
 Director



Company registration number: 05453405

The notes on pages 10 to 19 form part of these financial statements.

Farmont Baker Street Limited
Company Statement of Financial Position

31st December 2016

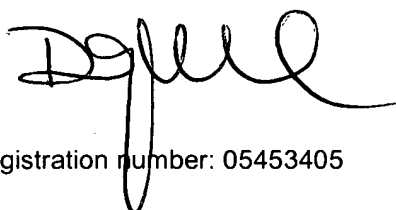
	Note	2016 £	2015 £
Fixed Assets			
Tangible assets	8	10,368,333	10,368,333
Investments	9	<u>3</u>	<u>3</u>
		10,368,336	10,368,336
Current Assets			
Debtors	10	87,175,420	90,632,395
Cash at bank and in hand		<u>145,651</u>	<u>150,141</u>
		87,321,071	90,782,536
Creditors: amounts falling due within one year	11	<u>68,196,172</u>	<u>71,700,123</u>
Net Current Assets		19,124,899	19,082,413
Total Assets Less Current Liabilities		29,493,235	29,450,749
Provisions			
Taxation including deferred tax		<u>334,315</u>	<u>377,007</u>
Net Assets		<u>29,158,920</u>	<u>29,073,742</u>
Capital and Reserves			
Called up share capital		2	2
Revaluation reserve	13	3,148,224	3,105,532
Profit and loss account	13	<u>26,010,694</u>	<u>25,968,208</u>
Members Funds		<u>29,158,920</u>	<u>29,073,742</u>

The profit for the financial year of the parent company was £42,486 (2015: £148,144 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 9th August 2017, and are signed on behalf of the board by:

M. Dall'osso
 Director



Company registration number: 05453405

The notes on pages 10 to 19 form part of these financial statements.

Farmont Baker Street Limited
Notes to the Financial Statements
year ended 31st December 2016

1. General Information

The Company is a private company limited by shares, incorporated in England and Wales. Its registered office is 219 Baker Street, London, NW1 6XE.

The group's principal business activity is that of property investment, management and letting.

2. Statement of Compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

After making enquiries, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Disclosure Exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Farmont Baker Street Limited and all of its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Farmont Baker Street Limited
Notes to the Financial Statements (continued)
year ended 31st December 2016

3. Accounting Policies (continued)

Revenue Recognition

Revenue represents rents receivable during the year, and is measured at the fair value of the consideration received or receivable, net of discounts and Value Added Tax.

Income Tax

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Motor Vehicles	-	25% straight line
Computer equipment	-	25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Farmont Baker Street Limited

Notes to the Financial Statements (continued)

year ended 31st December 2016

3. Accounting Policies (continued)

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial Instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Farmont Baker Street Limited
Notes to the Financial Statements (continued)
year ended 31st December 2016

4. Auditor's Remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>19,500</u>	<u>19,500</u>

5. Employee Numbers

The average number of persons employed by the company during the year, including the director, amounted to 11 (2015: 11).

6. Profit Before Taxation

Profit before taxation is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	<u>8,324</u>	<u>6,224</u>

7. Tax on Profit

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	698,137	695,579
Tax on profit	<u>698,137</u>	<u>695,579</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	<u>3,499,061</u>	<u>3,308,895</u>
Profit on ordinary activities by rate of tax	699,812	694,868
Expenses not deductible for tax purposes	3,885	27,940
Tax charged at other rates	–	(25,884)
Capital allowances for period	<u>(5,560)</u>	<u>(1,345)</u>
Tax on profit	<u>698,137</u>	<u>695,579</u>

Farmont Baker Street Limited
Notes to the Financial Statements (continued)
year ended 31st December 2016

8. Tangible Assets Group	Leasehold Investment Property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 January 2016	174,998,333	18,702	12,500	8,104	175,037,639
Additions	–	7,830	–	19,969	27,799
Disposals	–	–	–	(2,485)	(2,485)
At 31 December 2016	<u>174,998,333</u>	<u>26,532</u>	<u>12,500</u>	<u>25,588</u>	<u>175,062,953</u>
Depreciation					
At 1 January 2016	–	9,540	12,500	4,383	26,423
Charge for the year	–	5,655	–	2,669	8,324
Disposals	–	–	–	(2,485)	(2,485)
At 31 December 2016	<u>–</u>	<u>15,195</u>	<u>12,500</u>	<u>4,567</u>	<u>32,262</u>
Carrying amount					
At 31 December 2016	<u>174,998,333</u>	<u>11,337</u>	<u>–</u>	<u>21,021</u>	<u>175,030,691</u>
At 31 December 2015	<u>174,998,333</u>	<u>9,162</u>	<u>–</u>	<u>3,721</u>	<u>175,011,216</u>

The leasehold investment properties were valued at £174,998,333 on 31st December 2015 on an open market value basis, by Harrods Estates.

The director M. Dall'osso considers there to be no material change in the fair value of the leasehold investment properties as at 31st December 2016.

The historic cost of the properties is £105,360,794.

Company	Investment Property £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>10,368,333</u>
Depreciation	
At 1 Jan 2016 and 31 Dec 2016	<u>–</u>
Carrying amount	
At 31st December 2016	<u>10,368,333</u>

9. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>3</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>–</u>
Carrying amount	
At 1 Jan 2016 and 31 Dec 2016	<u>3</u>

Farmont Baker Street Limited
Notes to the Financial Statements (continued)
year ended 31st December 2016

9. Investments (continued)

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Dynamic Estates Limited (Nature of Business – Property letting)	Ordinary	100
Parkview Estates Management Limited (Nature of Business – Property management services)	Ordinary	100

10. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	409,836	712,036	109,706	60,434
Amounts owed by group undertakings and undertakings in which the company has a participating interest	–	–	87,065,714	90,565,712
Other debtors	28,321	25,430	–	6,249
	<u>438,157</u>	<u>737,466</u>	<u>87,175,420</u>	<u>90,632,395</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	–	–	87,065,714	90,565,712

11. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	89,836	93,671	26,581	21,081
Amounts owed to group undertakings and undertakings in which the company has a participating interest	63,238,711	66,738,711	66,701,255	69,461,436
Corporation tax	1,638,134	2,418,196	1,217,618	2,022,839
Social security and other taxes	166,906	102,024	23,939	–
Other creditors	1,905,404	2,153,835	226,779	194,767
	<u>67,038,991</u>	<u>71,506,437</u>	<u>68,196,172</u>	<u>71,700,123</u>

Farmont Baker Street Limited
Notes to the Financial Statements (continued)
year ended 31st December 2016

12. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Included in provisions	<u>8,385,530</u>	<u>9,038,767</u>	<u>334,315</u>	<u>377,007</u>

Based on the investment property fair value valuation (detailed in note 8) and taking indexation into account, the company would be expected to pay the following liability should the investment property be sold:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax liability on the revaluation of investment properties	<u>8,385,530</u>	<u>9,038,767</u>	<u>334,315</u>	<u>377,007</u>

Farmont Baker Street Limited
Notes to the Financial Statements (continued)
year ended 31st December 2016

13. Reserves

Profit and loss account

The profit and loss account reserve records retained earnings and accumulated losses.

Group - Reserves

	2016	2015
	£	£
Retained earnings brought forward	3,474,657	861,341
Profit for the financial year	<u>2,800,924</u>	<u>2,613,316</u>
Retained earnings carried forward	<u>6,275,581</u>	<u>3,474,657</u>

Company - Reserves

	2016	2015
	£	£
Retained earnings brought forward	25,968,208	26,116,352
Profit for the financial year	<u>42,486</u>	<u>(148,144)</u>
Retained earnings carried forward	<u>26,010,694</u>	<u>25,968,208</u>

Revaluation reserve

The revaluation reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Group - Revaluation reserve

	2016	2015
	£	£
Balance brought forward	94,913,772	34,315,000
Revaluation of fixed assets	-	69,637,539
Provision for deferred tax	<u>653,237</u>	<u>(9,038,767)</u>
Retained earnings carried forward	<u>95,567,009</u>	<u>94,913,772</u>

Company - Revaluation reserve

	2016	2015
	£	£
Balance brought forward	3,105,532	-
Revaluation of fixed assets	-	3,482,539
Provision for deferred tax	<u>42,692</u>	<u>(377,007)</u>
Retained earnings carried forward	<u>3,148,224</u>	<u>3,105,532</u>

Share Capital

Called-up share capital represents the nominal value of shares that have been issued.

Farmont Baker Street Limited
Notes to the Financial Statements (continued)
year ended 31st December 2016

14. Related Party Transactions

Company and Group

During the year the group had the following transactions with its parent company Farmont Investors Corp:

Farmont Investors Corp

	2016	2015
	£	£
Balance brought forward	(66,738,711)	(67,938,711)
Monies repaid by Farmont Baker Street Limited	<u>3,500,000</u>	<u>1,200,000</u>
Balance carried forward	<u>(63,238,711)</u>	<u>(66,738,711)</u>

The above loan is interest free and repayable on demand.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1st January 2015.

Reconciliation of equity

Group	1st January 2015			31st December 2015		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	105,373,495	–	105,373,495	105,373,677	69,637,539	175,011,216
Current assets	3,251,281	–	3,251,281	3,922,419	–	3,922,419
Creditors: amounts falling due within one year	<u>(73,448,433)</u>	–	<u>(73,448,433)</u>	<u>(71,506,437)</u>	–	<u>(71,506,437)</u>
Net current liabilities	<u>(70,197,152)</u>	–	<u>(70,197,152)</u>	<u>(67,584,018)</u>	–	<u>(67,584,018)</u>
Total assets less current liabilities	35,176,343	–	35,176,343	37,789,659	69,637,539	107,427,198
Provisions	–	–	–	–	(9,038,767)	(9,038,767)
Net assets	<u>35,176,343</u>	–	<u>35,176,343</u>	<u>37,789,659</u>	<u>60,598,772</u>	<u>98,388,431</u>
Capital and reserves	<u>35,176,343</u>	–	<u>35,176,343</u>	<u>37,789,659</u>	<u>60,598,772</u>	<u>98,388,431</u>

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15. Transition to FRS 102 (continued)

Reconciliation of equity

Company	1st January 2015			31st December 2015		
	As previously stated £	Effect of FRS 102 (as transition restated) £	£	As previously stated £	Effect of FRS 102 (as transition restated) £	£
Fixed assets	6,885,797	–	6,885,797	6,885,797	3,482,539	10,368,336
Current assets	91,851,959	–	91,851,959	90,782,536	–	90,782,536
Creditors: amounts falling due within one year	(72,621,402)	–	(72,621,402)	(71,700,123)	–	(71,700,123)
Net current liabilities	19,230,557	–	19,230,557	19,082,413	–	19,082,413
Total assets less current liabilities	26,116,354	–	26,116,354	25,968,210	3,482,539	29,450,749
Provisions	–	–	–	–	(377,007)	(377,007)
Net assets	<u>26,116,354</u>	<u>–</u>	<u>26,116,354</u>	<u>25,968,210</u>	<u>3,105,532</u>	<u>29,073,742</u>
Capital and reserves	<u>26,116,354</u>	<u>–</u>	<u>26,116,354</u>	<u>25,968,210</u>	<u>3,105,532</u>	<u>29,073,742</u>

Under FRS 102 the company is required to revalue its investment properties at fair value each year.

Under previous UK GAAP, the recognition of deferred tax on investment property revaluation surpluses was prohibited, unless there was a commitment to sell the relevant property.

Under FRS 102 there is no such prohibition, and a deferred tax liability must be recognised on all investment property revaluation surplus irrespective of whether the company is likely to sell the property or not.

The deferred tax provision is measured on the revaluation surplus, less any allowances that apply, at the rate expected when the property is sold.

Reconciliation of profit or loss for the year

No transitional adjustments were required.

16. Ultimate Parent Company

The director regarded, Farmont Investors Corp a company incorporated in the British Virgin Islands as being the ultimate holding company and controlling party, up to April 2016.

The director considers that, in April 2016, Landmark Network Real Estate LLC a company incorporated in the United Arab Emirates became the ultimate holding company and controlling party.