

ULTIMA PROPERTIES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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ULTIMA PROPERTIES LIMITED

COMPANY INFORMATION

DIRECTOR	M S McNeill
COMPANY SECRETARY	J Hall
REGISTERED NUMBER	03778607
REGISTERED OFFICE	Gainsborough House Manor Farm Road Reading Berkshire RG2 0NA
INDEPENDENT AUDITOR	Crowe Clark Whitehill LLP Aquis House 49 - 51 Blagrove Street Reading Berkshire RG1 1PL

ULTIMA PROPERTIES LIMITED

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ULTIMA PROPERTIES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

The director presents his report and the financial statements for the year ended 31 March 2017.

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 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 director must not approve the financial statements unless he is satisfied that he gives 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 director is 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 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 to enable him 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.

DIRECTOR

The director who served during the year was:

M S McNeill

DISCLOSURE OF INFORMATION TO AUDITOR

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he 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, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

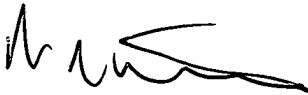
ULTIMA PROPERTIES LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

SMALL COMPANIES NOTE

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **19/12/2017** and signed on its behalf.



M S McNeill
Director

ULTIMA PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ULTIMA PROPERTIES LIMITED

We have audited the financial statements of Ultima Properties Limited for the year ended 31 March 2017, set out on pages 5 to 17. The relevant 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 Financial Reporting Standard 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 DIRECTORS AND AUDITOR

As explained more fully in the Director's responsibilities statement on page 1, 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 Financial Reporting Council'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 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 Company's affairs as at 31 March 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.

ULTIMA PROPERTIES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ULTIMA PROPERTIES LIMITED
(CONTINUED)**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

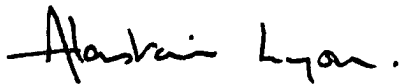
In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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.



Alastair Lyon (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

Aquis House
49 - 51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 20 December 2017.

ULTIMA PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover		1,955,472	1,261,646
Administrative expenses		(682,421)	(51,567)
Operating profit		1,273,051	1,210,079
Fair value gains on investment properties (net of deferred tax)		3,559,404	1,674,000
Interest payable and expenses		(280,161)	(180,166)
Compensation for mis-sold interest rate swap		-	11,809
Profit before tax		4,552,294	2,715,722
Tax on profit		(184,793)	(205,973)
Profit for the financial year		4,367,501	2,509,749

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 17 form part of these financial statements.

ULTIMA PROPERTIES LIMITED
REGISTERED NUMBER: 03778607

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets		8,439	15,590
Investment property		26,653,229	19,438,337
		<u>26,661,668</u>	<u>19,453,927</u>
Current assets			
Debtors: amounts falling due within one year	8	342,399	1,245,460
Cash at bank and in hand	9	190,269	1,861,853
		<u>532,668</u>	<u>3,107,313</u>
Creditors: amounts falling due within one year	10	(3,090,892)	(2,324,945)
Net current (liabilities)/assets		<u>(2,558,224)</u>	<u>782,368</u>
Total assets less current liabilities		<u>24,103,444</u>	<u>20,236,295</u>
Creditors: amounts falling due after more than one year	11	(15,418,548)	(16,253,548)
Provisions for liabilities			
Deferred tax	14	(1,236,066)	(401,418)
Net assets		<u><u>7,448,830</u></u>	<u><u>3,581,329</u></u>
Capital and reserves			
Called up share capital		2	2
Investment property reserve- non distributable		6,534,764	2,975,360
Profit and loss account		914,064	605,967
		<u><u>7,448,830</u></u>	<u><u>3,581,329</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

19/12/2017


M S McNeill

Director

The notes on pages 8 to 17 form part of these financial statements.

ULTIMA PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	2	1,301,360	370,218	1,671,580
Comprehensive income for the year				
Profit for the year	-	-	2,509,749	2,509,749
Transfer to revaluation reserve	-	-	(1,674,000)	(1,674,000)
Unrealised surplus on revaluation of investment properties	-	1,674,000	-	1,674,000
Other comprehensive income for the year	-	1,674,000	(1,674,000)	-
Total comprehensive income for the year	-	1,674,000	835,749	2,509,749
Dividends: Equity capital	-	-	(600,000)	(600,000)
Total transactions with owners	-	-	(600,000)	(600,000)
At 1 April 2016	2	2,975,360	605,967	3,581,329
Comprehensive income for the year				
Profit for the year	-	-	4,367,501	4,367,501
Transfer to revaluation reserve	-	-	(3,559,404)	(3,559,404)
Unrealised surplus on revaluation of investment properties	-	3,559,404	-	3,559,404
Total comprehensive income for the year	-	3,559,404	808,097	4,367,501
Dividends: Equity capital	-	-	(500,000)	(500,000)
Total transactions with owners	-	-	(500,000)	(500,000)
At 31 March 2017	2	6,534,764	914,064	7,448,830

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. GENERAL INFORMATION

Ultima Properties Limited operates in property investment. The company is a private company (registered number 03778607) limited by shares, which is incorporated in the UK. The address of the registered office is Gainsborough House, Manor Farm Road, Reading, RG2 0NA.

2. ACCOUNTING POLICIES

2.1 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. It has not been necessary to recognise any transition adjustments on conversion to FRS 102 for the current or preceding period.

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 accounting policies.

The company's functional and presentational currency is GBP. The financial statements have been rounded to the nearest £.

2.2 Going concern

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For long term finance the company relies on a mortgage held over the properties, as disclosed in note 14. In assessing going concern the director has assumed that the loan will continue to be repaid in line with the current instalment plan and, on that basis, the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Turnover

Turnover represents income receivable under operating leases, exclusive of VAT and sales of fixed assets. All turnover is derived in the UK and is accounted for on a receivable basis.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.13 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.

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

Valuation of investment properties

The company's investment properties are stated at their estimated fair value as determined by the director based on current prices of similar properties. In the absence of such prices the director considers information from a variety of sources, including future rental income that the company is contracted to receive on the properties.

4. AUDITOR'S REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £7,700 (2016 - £7,475).

5. EMPLOYEES

The average monthly number of employees, including directors, during the year was 0 (2016 - 0).

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST OR VALUATION	
At 1 April 2016	26,433
At 31 March 2017	26,433
DEPRECIATION	
At 1 April 2016	10,843
Charge for the year on owned assets	7,151
At 31 March 2017	17,994
NET BOOK VALUE	
At 31 March 2017	8,439
At 31 March 2016	15,590

ULTIMA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. INVESTMENT PROPERTY

	Freehold investment property £	Long term leasehold investment property £	Total £
VALUATION			
At 1 April 2016	18,219,834	1,218,503	19,438,337
Additions at cost	2,914,892	-	2,914,892
Surplus on revaluation	4,300,000	-	4,300,000
AT 31 MARCH 2017	25,434,726	1,218,503	26,653,229
Comprising			
Cost	18,030,257	1,100,791	19,131,048
Annual revaluation surplus/(deficit):			
2009	390,969	-	390,969
2015	713,500	117,712	831,212
2016	2,000,000	-	2,000,000
2017	4,300,000	-	4,300,000
At 31 March 2017	25,434,726	1,218,503	26,653,229

The 2017 valuations were made by the director, on an open market value for existing use basis.

	2017 £	2016 £
REVALUATION RESERVES		
At 1 April 2016	2,975,360	1,301,360
Net surplus/(deficit) in movement properties	3,559,404	1,674,000
AT 31 MARCH 2017	6,534,764	2,975,360

8. DEBTORS

	2017 £	2016 £
Other debtors	-	900,000
Prepayments and accrued income	342,399	345,460
	342,399	1,245,460

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	190,269	1,861,853
	<u>190,269</u>	<u>1,861,853</u>

10. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Bank loans	835,000	835,000
Trade creditors	-	7,089
Amounts owed to associates	1,343,156	1,221,839
Corporation tax	87,118	211,377
Other creditors	825,618	49,640
	<u>3,090,892</u>	<u>2,324,945</u>

11. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	15,030,000	15,865,000
Amounts owed to associates	319,798	319,798
Other creditors	68,750	68,750
	<u>15,418,548</u>	<u>16,253,548</u>

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. LOANS

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	835,000	835,000
Amounts falling due 1-2 years		
Bank loans	835,000	835,000
Amounts falling due 2-5 years		
Bank loans	14,195,000	15,030,000

The loan is repayable over the next 4 years at a rate of 0.75% over the London Interbank Offered Rate. The loan is secured by a fixed charge over all property and assets of the company.

13. FINANCIAL INSTRUMENTS

	2017 £	2016 £
FINANCIAL ASSETS		
Financial assets measured at amortised cost	<u>448,017</u>	<u>3,039,574</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(18,422,322)</u>	<u>(18,367,116)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand and debtors, less corporation tax debtor and prepayments.

Financial liabilities measured at amortised cost comprise total creditors, less corporation tax creditor.

14. DEFERRED TAXATION

	2017 £
At beginning of year	401,418
Charged to profit or loss	834,648
AT END OF YEAR	<u>1,236,066</u>

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. DEFERRED TAXATION (CONTINUED)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances & revaluations	1,236,066	401,418
	<u>1,236,066</u>	<u>401,418</u>

The company revalues its investment properties to current market value. Should these assets be sold there would be a corresponding tax liability. Under FRS102 these amounts are fully recognised within the deferred tax liability amount above. These amounts may only become payable upon the sale of the properties, depending upon the sale proceeds achieved. Deferred tax in relation to investment property revaluations is £1,078,733 (2016: £338,137).

15. CAPITAL COMMITMENTS

At 31 March 2017 the Company had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>516,810</u>	<u>-</u>

16. COMMITMENTS UNDER OPERATING LEASES: LESSOR

The company earns rental income by leasing its properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

At 31 March 2017, the company had contracted with tenants to receive the following future minimum lease payments:

	2017 £	2016 £
Not later than 1 year	1,538,690	1,538,690
Later than 1 year and not later than 5 years	5,973,390	5,981,730
Later than 5 years	11,819,583	13,312,583
	<u>19,331,663</u>	<u>20,833,003</u>

ULTIMA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. RELATED PARTY TRANSACTIONS

During the year a dividend of £500,000 (2016: £600,000) was paid to M S McNeill (Director).

As at 31 March 2017 the company was owed £Nil (2016: £900,000) by M S McNeill. The maximum amount outstanding at any point in the year was £900,000 (2016: £900,000).

During the year Ultima Business Solutions Limited, a company under the control of M S McNeill, paid £1,893,021 (2016: £1,208,449) in rent to Ultima Properties Limited. The company paid a management charge of £600,000 (2016: £Nil) to Ultima Business Solutions Limited during the year.

As at 31 March 2017 the company owed £1,662,954 (2016: £1,541,637) to Ultima Business Solutions Limited. £319,798 of this amount relates to a loan between the companies, of which £12,000 (2016: £12,000) has been paid in interest during the year. These amounts have been included within 'Amounts owed to associates'.

18. CONTROLLING PARTY

The director considers the company's ultimate controlling party to be M S McNeill.

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

19. FIRST TIME ADOPTION OF FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2015

	£
Equity at 1 April 2015 under previous UK GAAP	852,504
Investment Property Revaluation and Deferred Tax	819,075
EQUITY SHAREHOLDERS FUNDS AT 1 APRIL 2015 UNDER FRS 102	1,671,579

Reconciliation of equity at 31 March 2016

	£
Equity at 31 March 2016 under previous UK GAAP	3,088,253
Investment Property Revaluation and Deferred Tax	493,075
EQUITY SHAREHOLDERS FUNDS AT 31 MARCH 2016 UNDER FRS 102	3,581,328

Reconciliation of profit and loss account for the year ended 31 March 2016

	£
Profit for the year under previous UK GAAP	835,749
Presentational adjustment from previous UK GAAP to FRS102 as revaluation shown under STRGL	2,000,000
Deferred tax	(326,000)
PROFIT FOR THE YEAR ENDED 31 MARCH 2016 UNDER FRS 102	2,509,749

The following were changes in accounting policies arising from the transition to FRS 102:

Investment Property Revaluation and Deferred Tax

FRS102 requires the revaluation of the investment properties to be included in the Statement of Comprehensive income. It also requires full provision for the potential tax payable if the properties were sold at the revalued amounts at the date of the Statement of Financial Position. This potential tax requires an increase in the provision for deferred tax, this increases the tax charge which has been netted off against the revaluation gain in the year.