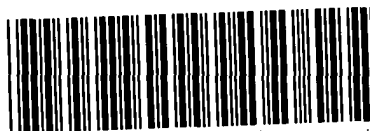


ULTIMA PROPERTIES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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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 U.K. LLP Aquis House 49 - 51 Blagrove Street Reading Berkshire RG1 1PL

ULTIMA PROPERTIES LIMITED

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Statement of changes in equity	8
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ULTIMA PROPERTIES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2018

The director presents his report and the financial statements for the year ended 31 March 2018.

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 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 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 U.K. 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 2018**

SMALL COMPANIES NOTE

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

This report was approved by the board on **19/12/18** and signed on its behalf.



M S McNeill
Director

ULTIMA PROPERTIES LIMITED

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

OPINION

We have audited the financial statements of Ultima Properties Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

ULTIMA PROPERTIES LIMITED

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

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ULTIMA PROPERTIES LIMITED

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

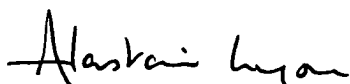
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

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.



Alastair Lyon (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Aquis House
49 - 51 Blagrove Street

Reading
Berkshire
RG1 1PL

Date: 19 December 2018

ULTIMA PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover		2,006,683	1,955,472
Gross profit		2,006,683	1,955,472
Administrative expenses		(654,233)	(697,480)
Operating profit		1,352,450	1,257,992
Fair value gain / (loss) on investment properties (net of deferred tax)		(483,927)	3,559,404
Interest receivable and similar income		138	-
Interest payable and expenses		(230,218)	(265,102)
Gain on measurement of derivatives at fair value		101,512	-
Profit before tax		739,955	4,552,294
Tax on profit		15,631	(184,793)
Profit for the financial year		755,586	4,367,501

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

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

ULTIMA PROPERTIES LIMITED
REGISTERED NUMBER: 03778607

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	2,845	8,439
Investment property	6	26,750,189	26,653,229
		<u>26,753,034</u>	<u>26,661,668</u>
Current assets			
Debtors: amounts falling due after more than one year	7	101,512	-
Debtors: amounts falling due within one year	7	1,897,208	342,399
Cash at bank and in hand	8	340,865	190,269
		<u>2,339,585</u>	<u>532,668</u>
Creditors: amounts falling due within one year	9	(5,177,926)	(3,090,892)
Net current liabilities		<u>(2,838,341)</u>	<u>(2,558,224)</u>
Total assets less current liabilities		<u>23,914,693</u>	<u>24,103,444</u>
Creditors: amounts falling due after more than one year	10	(14,583,548)	(15,418,548)
Provisions for liabilities			
Deferred tax	13	(1,126,729)	(1,236,066)
Net assets		<u><u>8,204,416</u></u>	<u><u>7,448,830</u></u>
Capital and reserves			
Called up share capital		2	2
Investment property reserve- non distributable		6,050,837	6,534,764
Profit and loss account		2,153,577	914,064
		<u><u>8,204,416</u></u>	<u><u>7,448,830</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



M S McNeill
Director

19/12/2018

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

ULTIMA PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
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
Other comprehensive income for the year	-	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 1 April 2017	2	6,534,764	914,064	7,448,830
Comprehensive income for the year				
Profit for the year	-	-	755,586	755,586
Transfer from revaluation reserve	-	-	483,927	483,927
Unrealised deficit on revaluation of investment properties	-	(483,927)	-	(483,927)
Total comprehensive income for the year	-	(483,927)	1,239,513	755,586
Total transactions with owners	-	-	-	-
At 31 March 2018	2	6,050,837	2,153,577	8,204,416

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

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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.

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 INTEREST INCOME

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

2.5 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.

2.6 BORROWING COSTS

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

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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.

2.8 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.

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
---------------------	---------------------

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.

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 FINANCIAL INSTRUMENTS (EXCLUDING DERIVATIVE CONTRACTS)

The Company only enters into basic financial instrument 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.14 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.

ULTIMA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.15 DERIVATIVE CONTRACTS

Under the requirements of FRS102 Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

**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. EMPLOYEES

Staff costs were as follows:

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2017 - 0).

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST OR VALUATION	
At 1 April 2017	26,433
Additions	1,225
At 31 March 2018	27,658
DEPRECIATION	
At 1 April 2017	17,994
Charge for the year on owned assets	6,819
At 31 March 2018	24,813
NET BOOK VALUE	
At 31 March 2018	2,845
At 31 March 2017	8,439

ULTIMA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. INVESTMENT PROPERTY

	Freehold investment property £	Long term leasehold investment property £	Total £
VALUATION			
At 1 April 2017	25,434,726	1,218,503	26,653,229
Additions at cost	580,888	-	580,888
Surplus on revaluation	(483,324)	(603)	(483,927)
AT 31 MARCH 2018	25,532,290	1,217,900	26,750,190
Comprising			
Cost	18,611,145	1,100,791	19,711,936
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
2018	(483,324)	(603)	(483,927)
At 31 March 2018	25,532,290	1,217,900	26,750,190

The 2018 valuations were made by the director, on an open market value for existing use basis.

	2018 £	2017 £
REVALUATION RESERVES		
At 1 April 2017	6,534,764	2,975,360
Net surplus/(deficit) in movement properties	(483,927)	3,559,404
AT 31 MARCH 2018	6,050,837	6,534,764

7. DEBTORS

	2018 £	2017 £
DUE AFTER MORE THAN ONE YEAR		
Interest rate swaps	101,512	-
	101,512	-

ULTIMA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. DEBTORS (CONTINUED)

	2018 £	2017 £
DUE WITHIN ONE YEAR		
Amounts owed by entities under common control	1,555,400	-
Other debtors	24,000	-
Prepayments and accrued income	317,808	342,399
	<u>1,897,208</u>	<u>342,399</u>

8. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	340,865	190,269
	<u>340,865</u>	<u>190,269</u>

9. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Bank loans	835,000	835,000
Trade creditors	14,980	-
Amounts owed to entities under common control	4,000,582	1,343,156
Corporation tax	90,277	87,118
Other taxation and social security	352	-
Other creditors	15,410	13,014
Accruals and deferred income	221,325	812,604
	<u>5,177,926</u>	<u>3,090,892</u>

ULTIMA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018 £	2017 £
Bank loans	14,195,000	15,030,000
Amounts owed to entities under common control	319,798	319,798
Other creditors	68,750	68,750
	<u>14,583,548</u>	<u>15,418,548</u>

11. LOANS

Analysis of the maturity of loans is given below:

	2018 £	2017 £
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	13,360,000	14,195,000
	<u>15,030,000</u>	<u>15,865,000</u>

The loan is repayable over the next 3 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.

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

12. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	101,512	-
Financial assets that are debt instruments measured at amortised cost	2,184,908	448,017
	<u>2,286,420</u>	<u>448,017</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(19,670,845)</u>	<u>(18,422,322)</u>

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

Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio comprise of interest rate swaps

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

13. DEFERRED TAXATION

	2018 £
At beginning of year	(1,236,066)
Charged to profit or loss	109,337
AT END OF YEAR	<u><u>(1,126,729)</u></u>

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. DEFERRED TAXATION (CONTINUED)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(1,126,729)	(1,236,066)
	<u>(1,126,729)</u>	<u>(1,236,066)</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 £842,600 (2017: £1,078,733).

14. DERIVATIVES

The company purchased interest rate swap contracts to hedge interest rate exposure on expected cash flows arising from its loans. The resulting cash flows arising from the interest rate swap contracts are recorded in the profit and loss account at the date that they crystallise.

The fair values of the interest rate swap contracts held at the balance sheet date, determined by reference to their market values, are liabilities of £101,512.

15. CAPITAL COMMITMENTS

At 31 March 2018 the Company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	516,810
	<u>-</u>	<u>516,810</u>

ULTIMA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16. COMMITMENTS UNDER OPERATING LEASES

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 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	1,617,265	1,538,690
Later than 1 year and not later than 5 years	6,293,583	5,973,390
Later than 5 years	10,326,583	11,819,583
	<u>18,237,431</u>	<u>19,331,663</u>

17. RELATED PARTY TRANSACTIONS

During the year a dividend of £NIL (2017: £500,000) was paid to M S McNeill (Director).

As at 31 March 2018 the company was owed £NIL (2017: £NIL) by M S McNeill. The maximum amount outstanding at any point in the year was £NIL (2017: £900,000).

During the year Ultima Business Solutions Limited, a company under the control of M S McNeill, paid £1,893,024 (2017: £1,893,021) in rent to Ultima Properties Limited. The company paid a management charge of £500,000 (2017: £600,000) to Ultima Business Solutions Limited during the year.

As at 31 March 2018 the company owed £4,320,380 (2017: £1,662,954) to Ultima Business Solutions Limited. £319,798 of this amount relates to a loan between the companies, of which £12,000 (2017: £12,000) has been paid in interest during the year. These amounts have been included within 'Amounts owed to associates'.

At 31 March 2018 the company was owed £1,555,400 (2017: £NIL) by McNeill Family Limited. This amount is included within 'amounts owed by associates'.

18. CONTROLLING PARTY

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