

Firmdale Property Investments Limited

Report and Financial Statements

Year Ended

31 January 2017

Company Number 04725421

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Firmdale Property Investments Limited

Company Information

Directors	J K Kemp T J R Kemp
Company secretary	M T Soden
Registered number	04725421
Registered office	21 Golden Square London W1F 9JN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Firmdale Property Investments Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10 - 11
Notes to the financial statements	12 - 24

Firmdale Property Investments Limited

Strategic Report for the Year Ended 31 January 2017

Introduction

The directors present their report and the financial statements of the company for the year ended 31 January 2017.

Business review

The company has a freehold interest in the Charlotte Street Hotel and long leasehold interests in the Covent Garden Hotel and the Haymarket Hotel. All three hotels are managed by Firmdale Hotels Plc, a fellow group company.

On 27 November 2014 the company refinanced its existing debt with Barclays by taking a 10 year, non-amortising loan from Standard Life Investments Limited. The interest rate payable on the new loan is fixed at 4.223% throughout the term.

Principal risks and uncertainties

The principal financial risks faced by the company, and the company's objectives and policies in relation to those risks, are as follows:

Cash flow risk

The finance department closely manages the company's cash flow. Detailed cash flow forecasts are regularly prepared with the objective of alerting the directors to potential future risks. It is the company's policy to ensure that forecast funding requirements can be met with available committed facilities.

Interest rate risk

The company's interest rate policy has the twin objectives of minimising net interest expense whilst providing protection from material adverse movement in interest rates. The company has fixed its interest charge obligations for ten years from 27 November 2014.

Currency risk

The company faces minimal currency risks as it operates wholly in the UK.

Future developments

The company is seeking further development opportunities in London but at present there are no specific projects secured.

Firmdale Property Investments Limited

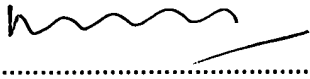
Strategic Report for the Year Ended 31 January 2017

Financial key performance indicators

The company's three hotels managed by Firmdale Hotels Plc has aggregated revenues of £34.1m (2016 - £32.8m) for the full financial year.

The three hotels operated at an excellent combined average occupancy of 90.1% and an average room rate of £323. This represented a rooms yield growth of 4.1% over prior year.

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


.....
T J R Kemp
Director

Date: 21 July 2017

Firmdale Property Investments Limited

Directors' Report for the Year Ended 31 January 2017

The directors present their report and the financial statements for the year ended 31 January 2017.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

After performing their assessment and making appropriate enquiries, the directors have a reasonable expectation that the company will remain a going concern for the foreseeable future and accordingly, the financial statements have been prepared on a going concern basis. The results and conclusions of the going concern assessment are described in more detail in note 2 of the financial statements.

Principal activity

The principal activity of the company is that of a luxury hotel property owner.

Results and dividends

The profit for the year, after taxation, amounted to £587,000 (2016 - £414,000).

The directors do not recommend the payment of a dividend (2016 - £NIL).

Directors

The directors who served during the year were:

J K Kemp
T J R Kemp

Firmdale Property Investments Limited

Directors' Report (continued) for the Year Ended 31 January 2017

Financial instruments

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Further detail in respect of the company's exposure to risks such as cash flow and liquidity risk has been provided in the strategic report on pages 1 to 2.

Employee involvement

Good communication with employees is considered by the directors to be essential to the success of the company. Every effort is made to keep all employees informed as to significant developments within the company.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Directors' qualifying third party indemnity provisions

The company has maintained qualifying directors' and officers' insurance throughout the financial year and to the date of this report.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 - 2.

Disclosure of information to auditor

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

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

Events after the end of the reporting period

There have been no significant events affecting the company since the year end.

Firmdale Property Investments Limited

Directors' Report (continued) for the Year Ended 31 January 2017

Auditor

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

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



.....
T J R Kemp
Director

Date: 21 July 2017

Firmdale Property Investments Limited

Independent Auditor's Report to the Members of Firmdale Property Investments Limited

We have audited the financial statements of Firmdale Property Investments Limited for the year ended 31 January 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 January 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Firmdale Property Investments Limited

Independent Auditor's Report to the Members of Firmdale Property Investments Limited

Matters on which we are required to report by exception

In 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 strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 21 July 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Firmdale Property Investments Limited

Statement of Comprehensive Income for the Year Ended 31 January 2017

	Note	2017 £	2016 £000
Turnover	4	34,074	32,785
Cost of sales		(22,375)	(22,920)
Gross profit		11,699	9,865
Administrative expenses		(8,063)	(6,188)
Operating profit	5	3,636	3,677
Interest payable and similar charges	7	(3,142)	(3,127)
Profit before tax		494	550
Taxation on profit on ordinary activities	8	93	(136)
Profit for the year		587	414
Surplus on revaluation of freehold property	9	4,535	1,667
Surplus/(deficit) on revaluation of leasehold property	9	2,698	(4,031)
Deferred tax charge/(credit) on revalued freehold property	16	(152)	938
Deferred tax credit on revalued leasehold property	16	499	2,308
Other comprehensive income for the year		7,580	882
Total comprehensive income for the year		8,167	1,296

All amounts relate to continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

Firmdale Property Investments Limited

Registered number: 04725421

Statement of Financial Position as at 31 January 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible fixed assets	9	157,200	151,401
Current assets			
Stocks	10	196	198
Debtors	11	19,506	15,442
Cash and cash equivalents	12	929	1,246
		<u>20,631</u>	<u>16,886</u>
Creditors: amounts falling due within one year	13	(60,792)	(59,028)
Net current liabilities		<u>(40,161)</u>	<u>(42,142)</u>
Total assets less current liabilities		<u>117,039</u>	<u>109,259</u>
Creditors: amounts falling due after more than one year	14	(73,837)	(73,784)
Provisions for liabilities			
Deferred tax	16	(17,918)	(18,358)
Net assets		<u><u>25,284</u></u>	<u><u>17,117</u></u>
Capital and reserves			
Called up share capital	17	-	-
Revaluation reserve	18	18,122	10,686
Profit and loss account	18	7,162	6,431
		<u><u>25,284</u></u>	<u><u>17,117</u></u>

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



T J R Kemp
 Director

Date: 21 July 2017

The notes on pages 12 to 24 form part of these financial statements.

Firmdale Property Investments Limited

Statement of Changes in Equity for the Year Ended 31 January 2017

	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 February 2016	10,686	6,431	17,117
Comprehensive income for the year			
Profit for the year	-	587	587
Surplus on revaluation of freehold property	4,535	-	4,535
Surplus on revaluation of leasehold property	2,698	-	2,698
Deferred tax charge on revalued freehold property	(152)	-	(152)
Deferred tax credit on revalued leasehold property	499	-	499
Other comprehensive income for the year	7,580	-	7,580
Total comprehensive income for the year	7,580	587	8,167
Transfer to/from profit and loss account	(144)	144	-
At 31 January 2017	18,122	7,162	25,284

Firmdale Property Investments Limited

Statement of Changes in Equity for the Year Ended 31 January 2016

	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 February 2015	9,660	6,161	15,821
Comprehensive income for the year			
Profit for the year	-	414	414
Surplus on revaluation of freehold property	1,667	-	1,667
Deficit on revaluation of leasehold property	(4,031)	-	(4,031)
Deferred tax credit on revalued freehold property	938	-	938
Deferred tax credit on revalued leasehold property	2,308	-	2,308
Other comprehensive income for the year	882	-	882
Total comprehensive income for the year	882	414	1,296
Transfer to/from profit and loss account	144	(144)	-
At 31 January 2016	10,686	6,431	17,117

The notes on pages 12 to 24 form part of these financial statements.

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

1. General information

Firmdale Property Investments Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Firmdale Holdings Limited as at 31 January 2017 and these financial statements may be obtained from the Registrar of Companies.

2.3 Going concern

The company meets its working capital requirements through funding from group companies. These companies have confirmed their intention to provide continuing support. As such, the directors consider it appropriate to prepare the account on a going concern basis.

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Deposits which have been received at the reporting date for which services have not yet been provided are included in accruals and deferred income within creditors.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- 50 years straight line
Long-term leasehold property	- Over the lease term / 15% per annum on cost

Land is not depreciated.

2.6 Revaluation of tangible fixed assets

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

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

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

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment unless the arrangement constitutes a financing transaction.

Where the arrangement constitutes a financing transaction, the debtor is initially measured at the present value of future cash receipts discounted at the market rate of interest and subsequently at amortised cost.

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.

2.9 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash in hand, short term deposits with a maturity date of three months or less and bank overdrafts.

2.10 Creditors

Short term creditors are measured at the transaction price unless the arrangement constitutes a financing transaction.

Where an arrangement constitutes a financing transaction the creditor is initially measured at the present value of future payments discounted at a market rate of interest and subsequently at amortised cost.

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.

2.11 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Holiday pay adjustment

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

To the extent that the holiday pay adjustment gives rise to an asset balance at the reporting date the amount reported in prepayments.

2.14 Borrowing costs

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

2.15 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 reporting 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 reporting 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 reporting date.

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following judgements (including the key areas of estimation uncertainty) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of tangible fixed assets

The company engaged independent valuation specialists to determine fair value of its leasehold and freehold properties at the end of the reporting period. Details of the key assumptions and techniques utilised by the valuer have been detailed in note 9.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £000	2016 £000
Operation of hotels	34,074	32,785

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	1,709	1,707
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8	7
Operating lease rentals	1,800	1,690

During the year, no director received any emoluments (2016 - £NIL).

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

6. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	9,771	9,304
Social security costs	742	732
Cost of defined contribution scheme	49	47
	<u>10,562</u>	<u>10,083</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Directors	2	2
Hotel staff	402	393
	<u>404</u>	<u>395</u>

7. Interest payable and similar charges

	2017 £000	2016 £000
On bank loans and overdrafts	3,142	3,127

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

8. Taxation

	2017 £000	2016 £000
Deferred tax		
Origination and reversal of timing differences	1,187	(179)
Adjustment in respect of prior periods	(276)	(7)
Effect of tax rate change on opening balance	(1,004)	322
Taxation on profit on ordinary activities	(93)	136

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 20.00% (2016 - 20.20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	494	550
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2016 - 20.20%)	99	111
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	339	14
Group relief	(442)	(326)
Prior year adjustments	(276)	(8)
Change in tax rate on opening deferred tax balance	187	322
Other differences leading to an increase (decrease) in the tax charge	-	23
Total tax (credit)/charge for the year	(93)	136

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

9. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Total £000
Cost or valuation			
At 1 February 2016	68,700	82,701	151,401
Additions	32	243	275
Revaluations	4,268	1,256	5,524
At 31 January 2017	<u>73,000</u>	<u>84,200</u>	<u>157,200</u>
Charge for the period on owned assets	267	1,442	1,709
On revalued assets	(267)	(1,442)	(1,709)
Net book value			
At 31 January 2017	<u>73,000</u>	<u>84,200</u>	<u>157,200</u>
At 31 January 2016	<u>68,700</u>	<u>82,701</u>	<u>151,401</u>

Standard Life Investment Limited holds a security agreement over freehold property, and fixed and floating charges over other assets held by the company. These charges form security for a loan facility provided to the company.

The freehold and leasehold properties were valued by Jones Lang LaSalle, Chartered Surveyors, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and categories of the properties being valued, as at 31 January 2017, on the basis of fair value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

If the freehold property has not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £000	2016 £000
Cost	47,585	47,553
Accumulated depreciation	(3,447)	(3,266)
	<u>44,138</u>	<u>44,287</u>

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

9. Tangible fixed assets (continued)

If the leasehold properties had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £000	2016 £000
Cost	87,295	87,052
Accumulated depreciation	(13,614)	(11,944)
Net book value	73,681	75,108

10. Stocks

	2017 £000	2016 £000
Food and beverage stock	196	198

Stock recognised in cost of sales during the year as an expense was £2,728,000 (2016 - £2,690,000).

The replacement cost of stock was not materially different to the amount stated above.

11. Debtors

	2017 £000	2016 £000
Trade debtors	250	63
Amounts owed by group undertakings	18,328	14,450
Other debtors	928	887
Prepayments and accrued income	-	42
	19,506	15,442

All amounts shown under debtors fall due for payment within one year.

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

12. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	929	1,246

13. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	59,772	58,203
Other taxation and social security	134	129
Other creditors	216	-
Accruals and deferred income	670	696
	60,792	59,028

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

14. Creditors: Amounts falling due after more than one year

	2017 £000	2016 £000
Bank loans (see note15)	73,837	73,784

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

15. Loans

Analysis of the maturity of loans is given below:

	2017 £000	2016 £000
Amounts falling due after more than 5 years		
Bank loans	<u>73,837</u>	<u>73,784</u>

Secured loans

Included within loans due after more than five years is a fixed rate interest loan facility at 4.223% per annum. Interest only is paid until the termination of the loan on 26 November 2024, when the capital amount is to be repaid in full.

The bank loan due after more than one year is secured by legal charges over the freehold and leasehold properties of the company and a fellow subsidiary. In addition, they are secured by fixed and floating charges over the book debts and other assets of the company and a fellow subsidiary.

16. Deferred taxation

	2017 £000	2016 £000
At beginning of year	(18,358)	(21,468)
Credited/(charged) to profit or loss	93	(136)
Credited to other comprehensive income	347	3,246
At end of year	<u>(17,918)</u>	<u>(18,358)</u>

The provision for deferred taxation is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	617	373
Tax losses carried forward and other deductions	2,561	2,712
Capital gains	(21,096)	(21,443)
	<u>(17,918)</u>	<u>(18,358)</u>

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

17. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not cover any rights of redemption.

18. Reserves

Revaluation reserve

This reserve records the amount above the historic cost of tangible fixed assets. The amount of depreciation provided on book value which represents a surplus on valuation is transferred as a reserves movement to the profit and loss account.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Pension commitments

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge for the year represents contributions payable by the company to the funds and amounted to £49,000 (2016 - £47,000).

20. Commitments under operating leases

At 31 January 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Not later than 1 year	1,871	1,709
Later than 1 year and not later than 5 years	7,484	6,834
Later than 5 years	71,494	68,541
	80,849	77,084

21. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

Firmdale Property Investments Limited

Notes to the Financial Statements for the Year Ended 31 January 2017

22. Controlling party

The immediate parent and controlling company is Firmdale West End Limited, a company registered in England and Wales. The consolidated accounts of this group, which is the smallest group to include the company, are available from the Registrar of Companies.

The ultimate parent company is Firmdale Holdings Limited, head of the ultimate group and a company registered in England and Wales. The consolidated accounts of this group, which is the largest to include the company, are available from the Registrar of Companies.

In the opinion of the directors, the Trustee of Kemp Family Foundation is the ultimate controlling party of the group and therefore of this entity.