

Company registration No. 09123713

THE TRINLEY ESTATE LIMITED

Report and Financial Statements

31 December 2016



(- 16/03/2017)

THE TRINLEY ESTATE LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

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THE TRINLEY ESTATE LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Deller
T Trott
J E M Harington

SECRETARY

Ocorian (UK) Limited

REGISTERED OFFICE

2nd Floor
11 Old Jewry
London
EC2R 8DU

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge
United Kingdom

THE TRINLEY ESTATE LIMITED

DIRECTORS' REPORT

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

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

ACTIVITIES

The principal activities of the company are farming and provision of storage services.

DIVIDENDS

The company do not recommend the payment of a dividend.

DIRECTORS

The following directors served throughout the year:

R Deller
T Trott
J E M Harington

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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.

THE TRINLEY ESTATE LIMITED

DIRECTORS' REPORT

AUDITOR

Each of the directors at the date of approval of this annual report confirms 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditor.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'R Deller', with a large, sweeping flourish at the end.

R Deller

Director

Date: 16.3.17

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRINLEY ESTATE LIMITED

We have audited the financial statements of The Trinley Estate Limited for the year ended 31 December 2016 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

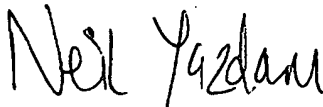
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE TRINLEY ESTATE LIMITED (continued)**

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the directors' report.



Neil Yazdani (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom
16 March 2017

THE TRINLEY ESTATE LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2016

	Note	2016 £	2015 £
TURNOVER	3	1,075,423	798,780
Cost of sales		<u>(224,520)</u>	<u>(103,442)</u>
GROSS PROFIT		850,903	695,338
Administration expenses (includes an exceptional charge of £nil (2015 - £1,071,764) (see note 5))		<u>(720,168)</u>	<u>(1,612,062)</u>
OPERATING PROFIT (LOSS)	6	130,735	(916,724)
Interest payable and similar charges	7	<u>(10,154)</u>	<u>(6,035)</u>
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		120,581	(922,759)
Tax on profit (loss) on ordinary activities	8	<u>(20,268)</u>	<u>-</u>
PROFIT (LOSS) FOR THE FINANCIAL YEAR		<u>100,313</u>	<u>(922,759)</u>

All activities derive from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME Year ended 31 December 2016

	2016 £	2015 £
Profit (loss) for the financial year	100,313	(922,759)
Revaluation of intangible assets	<u>-</u>	<u>38,237</u>
Total comprehensive income	<u>100,313</u>	<u>(884,522)</u>

THE TRINLEY ESTATE LIMITED

BALANCE SHEET

31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	22,443,052	22,434,764
Intangible assets	10	280,878	409,246
		<u>22,723,930</u>	<u>22,844,010</u>
CURRENT ASSETS			
Stocks	11	345,777	296,854
Debtors	12	221,557	223,266
Cash at bank and in hand		432,709	262,147
		<u>1,000,043</u>	<u>782,267</u>
CREDITORS: amounts falling due within one year	13	<u>(148,937)</u>	<u>(151,554)</u>
NET CURRENT ASSETS		<u>851,106</u>	<u>630,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,575,036</u>	<u>23,474,723</u>
CAPITAL AND RESERVES			
Called up share capital	15	23,260,999	23,260,999
Profit and loss account	15	(964,201)	(1,064,514)
Revaluation reserve	15	38,237	38,237
Capital redemption reserve	15	1,240,001	1,240,001
SHAREHOLDERS' FUNDS		<u>23,575,036</u>	<u>23,474,723</u>

The financial statements of The Trinley Estate Limited, registered number 09123713, were approved by the Board of Directors and authorised for issue on **16 March 2017**

Signed on behalf of the Board of Directors



R Deller

Director

THE TRINLEY ESTATE LIMITED

STATEMENT OF CHANGES IN EQUITY 31 December 2016

	Called up share capital £	Profit and loss account £	Revalua- tion reserve £	Preference shares £	Capital redemption reserve £	Total £
At 1 January 2015	1,000	(141,755)	-	24,500,000	-	24,358,245
Loss for the year	-	(922,759)	-	-	-	(922,759)
Revaluation of intangible asset	-	-	38,237	-	-	38,237
Redemption of 'A' shares – see note 15	-	-	-	(1,240,001)	1,240,001	-
At 31 December 2015	1,000	(1,064,514)	38,237	23,259,999	1,240,001	23,474,723
Profit for the year	-	100,313	-	-	-	100,313
At 31 December 2016	1,000	(964,201)	38,237	23,259,999	1,240,001	23,575,036

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

General information and basis of accounting

The Trinley Estate Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

There were no material adjustments in the prior year on adoption of FRS 102 in the current year.

The functional currency of The Trinley Estate Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The Trinley Estate Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Going concern

Whilst the farming sector is affected by uncertain global economic conditions the storage business is exposed to an entirely different type of business risk more locally based. With two types of revenue generating enterprises the directors are satisfied that the company is well placed to manage its business risks successfully.

The directors are confident that the company has adequate resources to continue in and cash generating operation existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets

Due to an ownership reorganisation all of the fixed assets were revalued in December 2015. The costs of assets were impaired to carry assets at their latest valuation at 31 December 2015. The accounting policy below is the policy which will be implemented for the assets held.

Depreciation is provided to write off the cost or valuation of fixed assets, except for freehold land, in equal annual instalments over their estimated useful lives on a reducing balance basis at the following rates:

Buildings	2%
Containers and fixtures and fittings	20%
Plant and machinery	20%-25%
Tractors and motor vehicles	20%

Depreciation in the period of acquisition is charged on a pro-rata basis.

No depreciation is provided on freehold land.

Annual impairment reviews are carried out. The annual impairment reviews are carried out by the directors. One of the directors is experienced in property related matters, as a property agent and has knowledge of the property market. The Board consider they have adequate competence to carry out the annual impairment reviews.

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Investment properties

The land and buildings previously accounted for as investment property were transferred into property, plant and equipment held at cost, in accordance with FRS102 Section 16.8 – Investment Properties. This transfer was carried out because the Directors did not feel able to accurately value the assets themselves, and felt it would be undue cost and effort to obtain external valuations purely for the purposes of preparing the financial statements.

The Directors have elected not to provide for depreciation in respect of the land. This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The Directors consider that this policy is necessary in order that the financial statements give a true and fair view, as they anticipate returning to a fair value model in future when there is a need to revalue the property.

Intangible fixed assets

Intangible fixed assets comprise of entitlements and goodwill.

Entitlements

The Single Farm Payment entitlements are being amortised so as to write off their cost in equal instalments over six years. This is the known period until the next Common Agricultural Policy reform.

Goodwill

Purchased goodwill is being written off over four years based on the assessment by the directors of its useful economic life.

Stocks

Stocks are stated at the lower of costs and net realisable value. Cultivations are valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the cultivations valuation.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no intention to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

Operating lease rentals are charged to the profit and loss account as incurred.

Recognition of single farm payments

Single farm payments are included on a sales basis and credited in full to turnover in the accounting period in which the company becomes eligible to receive the payments.

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that periods, or in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of financial statements in accordance with UK GAAP requires the use of certain critical accounting estimates and judgements. It also requires Directors to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements. The directors consider that these are no critical accounting judgements.

The Directors consider the key source of estimation relates to the assessment of impairment of the fixed assets. The calculation of impairment of the fixed assets is based on assumptions explained in more detail in note 1 (tangible fixed assets). Impairment represents the Directors' estimate of the losses incurred in the fixed assets as at the balance sheet date. The level of the impairment is the difference between the recoverable amount of an asset (the amount that could be obtained by selling the asset) and its carrying amount. If the carrying amount is higher than the estimated recoverable amount, the asset is written down.

3. TURNOVER

Turnover, all of which arises in the United Kingdom, represents the invoiced value, excluding value added tax, of goods sold and services provided to customers and includes sales subsidies receivable from DEFRA under the Arable Aid Payments Scheme (including set-aside) in relation to crops sold and subsidies receivable under the Single Payment Scheme. Turnover includes storage services and rental income from farm properties.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no remuneration in the current period for their services as directors to the company.

	2016 No	2015 No
Average number of persons employed (including directors)		
Administrative staff	1	1
Agricultural	4	4
	<u>5</u>	<u>5</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	106,567	94,893
Social security costs	6,916	5,948
Other pension costs	15,000	15,000
	<u>128,483</u>	<u>115,841</u>

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

5. EXCEPTIONAL ITEM

The property was revalued by external valuers on 18 December 2015. This resulted in the following impairment adjustment to fixed assets in the prior year.

	2016 £	2015 £
Exceptional item		
Impairment	-	1,071,764

Annual impairment reviews are carried out. The annual impairment reviews are carried out by the directors. One of the directors is experienced in property related matters, as a property agent and has knowledge of the property market. The Board consider they have adequate competence to carry out the annual impairment reviews.

6. OPERATING PROFIT (LOSS)

	2016 £	2015 £
Operating profit (loss) is after charging (crediting):		
Depreciation		
Owned assets	223,848	-
Amortisation on intangibles	129,122	103,376
Rents receivable	(73,354)	(75,554)
Rentals under operating leases	29,997	30,047
Auditor's remuneration	18,000	14,250

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank charges	10,154	6,035

8. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

	2016 £	2015 £
Current taxation		
United Kingdom corporation tax based on the results for the year at 20%	20,268	-
Deferred taxation		
Origination and reversal of timing differences	-	-
Tax on profit (loss) on ordinary activities	20,268	-

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

8. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2015 - 20.25%). The actual tax charge for the current and the previous year differs from the standard tax rate for the reasons set out in the following reconciliation:

	2016 £	2015 £
Profit (loss) on ordinary activities before tax	120,581	(922,759)
Tax on profit (loss) on ordinary activities at standard rate	24,116	(186,859)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	23,330	-
Movement in deferred tax not recognised	(27,178)	186,859
Total actual amount of current tax	20,268	-

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 18% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 18%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this reduced rate. This rate change is to be included in the Finance Bill 2016 but this has not been substantively enacted at the balance sheet date.

9. TANGIBLE FIXED ASSETS

	Land and building £	Plant and machinery £	Tractors and motor vehicles £	Containers and fixtures and fittings £	Total £
Cost					
At 1 January 2016	22,035,391	107,433	284,850	16,152	22,443,826
Additions	35,691	96,891	178,000	709	311,291
Disposals	-	(24,900)	(60,000)	-	(84,900)
At 31 December 2016	22,071,082	179,424	402,850	16,861	22,670,217
Depreciation					
At 1 January 2016	-	4,608	-	4,454	9,062
Charge in the year	116,552	29,223	75,403	2,670	223,848
Disposals	-	(2,012)	(3,733)	-	(5,745)
At 31 December 2016	116,552	31,819	71,670	7,124	227,165
Net book value					
At 31 December 2016	21,954,530	147,605	331,180	9,737	22,443,052
At 31 December 2015	22,035,391	102,825	284,850	11,698	22,434,764

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

9. TANGIBLE FIXED ASSETS (continued)

The land and buildings previously accounted for as investment property were transferred into property, plant and equipment held at cost, in accordance with FRS102 Section 16.8 – Investment Properties. This transfer was carried out because the Directors did not feel able to accurately value the assets themselves, and felt it would be undue cost and effort to obtain external valuations purely for the purposes of preparing the financial statements. The freehold investment properties were revalued by Strutt & Parker, an external valuer, as at 16 December 2015 on the basis of open market value in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual and the property was reduced to this valuation amount as at that date to recognise the impairment of the assets (see note 5). There has been significant movement in the property market this year and therefore the directors can no longer deem the latest professional valuation as a reasonable current fair value.

10. INTANGIBLE FIXED ASSETS

	Entitlements £	Goodwill £	Total £
Cost			
At 1 January 2016 and 31 December 2016	124,965	413,500	538,465
Amortisation			
At 1 January 2016	-	129,219	129,219
Charge for the year	24,993	103,375	128,368
At 31 December 2016	24,993	232,594	257,587
Net book value			
At 31 December 2016	99,972	180,906	280,878
At 31 December 2015	124,965	284,281	409,246

11. STOCKS

	2016 £	2015 £
Workshop	550	600
Fuel	4,147	4,359
Consumables	57,933	45,625
Cultivations	113,360	104,858
Finished goods	169,787	141,412
	<u>345,777</u>	<u>296,854</u>

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

12. DEBTORS

	2016 £	2015 £
Trade debtors	140,089	55,045
VAT	2,089	4,539
Prepayments	79,379	163,682
	<u>221,557</u>	<u>223,266</u>

All debtors are due within one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	79,297	87,034
Other creditors	11,335	16,430
Corporation tax	20,268	-
Accruals and deferred income	38,037	48,090
	<u>148,937</u>	<u>151,554</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	£
At 1 January 2016	-
Credit for the year	-
At 31 December 2016	<u>-</u>

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	2016 £	Provided 2015 £	2016 £	Unprovided 2015 £
Accelerated capital allowances	44,493	31,513	(146,243)	(154,846)
Losses to carry forward	(44,493)	(31,513)	(3,218)	(31,393)
	<u>-</u>	<u>-</u>	<u>(149,461)</u>	<u>(186,239)</u>

There are trading losses to carry forward of £280,657 (2015 - £349,477) with a deferred tax asset value of £47,712 (2015 - £69,895). Only £44,493 (2015 - 50,765) of trading loss has been provided for due to the uncertainty of these being realised in the short term.

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

15. CALLED UP SHARE CAPITAL AND RESERVES

	2016 £	2015 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
Preference shares: 'B' shares	23,259,999	23,259,999

Ordinary shares

The rights ascribed to this class of share is shares rank equally for voting purposes. On a show of hands each member shall have one vote and on a poll each member shall have one vote per share held. Each share ranks equally for any dividend declared. Each share ranks equally for any distribution made on a winding up.

Preference Shares

The preference shares in issue as at 1 January 2014 and 31 December 2014 have been restated from creditors repayable within one year to equity. The preference shares were not entitled to vote at any general meeting and were not entitled to any dividend payments. The preference shares had priority rights over the ordinary shares on a winding up or return of capital and the preference shares were only redeemable at the option of the company on 60 days' notice and, accordingly, should more appropriately have been treated as equity.

On 18 December 2015 the Trinley Estate Limited converted these preference shares to 'A' shares. The 'A' shares of £24,500,000 were then redeemed in exchange for the issue of 23,259,999 'B' shares of £1 each to Styviken Invest AS. The rights attaching to the 'A' and 'B' shares were the same as those of the preference shares. As a result, £1,240,001 was transferred to the capital redemption reserve.

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The revaluation reserve represents the revaluation of the entitlements. The entitlements are intangible assets.

The capital redemption reserve represents the reserve created by the redemption of the preference shares as above.

16. COMMITMENTS UNDER OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2016 £	2015 £
Operating leases which expire:		
Between two to five years	50,148	78,804

THE TRINLEY ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

17. ULTIMATE PARENT UNDERTAKING AND IMMEDIATE CONTROLLING PARTY

The company's immediate parent company is Styviken Invest AS, a company incorporated in Norway and its ultimate parent undertaking is Fatburen Investment BV, a company incorporated in the Netherlands. The smallest group the company is consolidated into is Styviken Invest AS. The largest group the company is consolidated into is Fatburen Investment BV. The Styviken Invest AS accounts are publicly available from The Brønnøysund Register Centre, Havnegata 48, Brønnøysund, Norway. The Fatburen Investment BV accounts are publicly available from Kammer van Koophandel, De Ruijterkade 5, Amsterdam, The Netherlands. The ultimate controlling party is Mr B Saven.

18. RELATED PARTY TRANSACTIONS

Included in other operating charges are the following:

- £26,000 (2015 - £31,000) in respect of Ocorian (UK) Limited (formerly Bedell Trust UK Limited) of which R Deller is a director.
- J E M Harrington was paid £15,000 (2015 - £15,000).

19. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 was therefore 1 January 2015. As a consequence of adopting FRS 102, there are no material adjustments to accounting policies to comply with that standard.