Company Registration No. 00986343 (England and Wales)

# GLENSTONE PROPERTY PLC

# ANNUAL REPORT

# FOR THE YEAR ENDED 31 JANUARY 2015

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# COMPANY INFORMATION

| | |
|---|---|
| **Directors** | C. L. Powell MRICS (Chairman)<br>D. J. Kennedy (Managing Director)<br>P. C. Schorb FCCA (Finance Director)<br>B. P. Green MRICS (Property Director)<br>J. H. Nugent |
| **Secretary** | P C Schorb FCCA |
| **Company number** | 00986343 |
| **Registered office** | St. John's House<br>East Street<br>Leicester<br>LE1 6NB |
| **Auditors** | Clear & Lane Limited<br>340 Melton Road<br>Leicester<br>LE4 7SL |
| **Bankers** | Lloyds Bank plc<br>2nd Floor<br>125 Colmore Row<br>Birmingham<br>B3 3SF |
| **Solicitors** | Druces LLP<br>Salisbury House<br>London Wall<br>London<br>EC2M 5PS<br><br>Spearing Waite LLP<br>41 Friar Lane<br>Leicester<br>LE1 5RB |
| **Valuers** | Jones Lang LaSalle Ltd<br>Chartered Surveyors<br>30 Warwick Street<br>London<br>W1B 5NH |

# CHAIRMAN'S STATEMENT AND STRATEGIC REPORT

This is my first year as Chairman of Glenstone Property Plc and I am pleased to report another set of encouraging results. Pre-tax profits for the year ended 31 January 2015 were £4.54m (2014: £4.14m). This profit is a combination of rental income and some one-off property sales above valuation.

I am pleased to report the property asset valuation in the business has shown a small increase of £0.546m to £61.2m but this should be reviewed together with the property sales made during the year which generated profits on sale of £1.51m.

Our portfolio continues to have low vacancy rates of 3.74% (2014: 3.35%) and is significantly below the national average (14%). The management team have concluded many asset management initiatives this year including 27 lease re-gears and lettings of vacant properties, most above the estimated rental value. These transactions should provide more secure future income of over £650,000 per annum.

As part of our reorganisation of the portfolio we have sold a number of shops. In Winchester we sold the Bath Travel investment for a record yield in this location of 4.4%. The property was bought in 2011 for £380,000 and was sold for £580,000, a profit of £200,000. In Newmarket, after some complicated negotiations, including relocating the existing tenant, we were also able to sell one of our non-core shops to a special purchaser. Over £1m was received which generated a property profit of over £600,000 on its own.

During the financial year no properties were purchased but I am pleased to report we have just completed on the purchase of a shop in Taunton which will help upgrade our portfolio and replace some of the rent from the small shops we have sold. The property is in a prime location and the rent has recently been restructured to a current market rent which should offer future rental growth prospects. We are continuing to search for properties which will provide long term income and capital returns.

In 2015 the Remuneration Committee decided to restructure and reorganise the executive director's packages and while there is a one-off cost it will be beneficial to the company going forward.

The Board has decided that in the future there will be two distributions per year and is pleased to announce a combined interim and final property income distribution (PID) of 43.16p per share. This will be paid on 10 April 2015 and will result in a total PID for the year ended 31 January 2015 of 66.16p per share. (2014: 70.1p) The Board has decided it is prudent to retain the property gains made in the year until we see how the first half of 2015/16 turns out. It will also put us in a stronger financial position to take advantage of any future opportunities.

The Board is continuing to explore options to grow the business and we will keep you updated on any developments.

**C. L. Powell MRICS**
**CHAIRMAN**
18 March 2015

# DIRECTORS' REPORT

The Directors have pleasure in submitting their Annual Report and Financial Statements for the year ended 31 January 2015, which were approved on 18 March 2015 for submission to the Annual General Meeting.

**Activities**
The principal activity of the group continued to be that of property investment, development and trading.

**Results for the year and distributions**
The Group results are set out in the consolidated profit and loss account on page 12.

An interim property income distribution of 23.0p per share was paid on 3 October 2014. The Directors now recommend the payment of a final distribution of 43.16p per share. The proposed final distribution will be paid on 10 April 2015 to ordinary shareholders on the register at the close of business on 27 March 2015.

**Directors**
The following Directors have held office since 1 February 2014:

C L Powell
D J Kennedy
P C Schorb
B P Green
J H Nugent

In accordance with the Articles of Association, Messrs D. J. Kennedy and J. H. Nugent retire, and being eligible, offer themselves for re-election. At no time during the year has any director had any interest in any significant contract with the company.

**Fixed assets**
Details of movements in fixed assets are set out in Note 9 to the Accounts.

**Share Capital**
Detailed changes in the Company's issued share capital are set out in Note 15 to the Accounts.

**Taxation**
At an Extraordinary General Meeting held on 20 October 2008, shareholders approved the adoption of new Articles of Association enabling the Company to convert into a Real Estate Investment Trust ("REIT") on 1 February 2009. Note 6 sets out the impact of converting to a REIT.

**Financial Instruments**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and bank loans. The Group seeks to minimise the risk of fluctuating interest rates by using a revolving credit facility to match its property holdings and commitments and by using interest rate swaps to protect floating rate borrowings.

**Supplier Payment Policy**

It is the policy of the Group and the Company to agree payment terms with suppliers when entering into each transaction or series of transactions to ensure that suppliers are made aware of these terms and abide by them. Creditor days at the end of the year for the Group were 7 days (2014: 7 days) and for the Company were 7 days (2014: 7 days).

**Charitable donations**

During the year the Company made charitable donations of £5,000 (2014- £5,000). The group made no political contributions in either year.

**Auditors**

In accordance with the Company's articles, a resolution proposing that Clear & Lane Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

**Directors' and Officers' liability insurance**

During the year the Company purchased and maintained liability insurance for its Directors and Officers as permitted by Section 234 of the Companies Act 2006.

**Directors' responsibilities**

The Directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and Company and of the profit or loss of the Group 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 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;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

**Statement of disclosure to auditor**

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board

**Mr P C Schorb FCCA**

18 March 2015

St John's House
East Street
Leicester
LE1 6NB

# CORPORATE GOVERNANCE REPORT

The Board is committed to maintaining high standards of corporate governance within the Group. The Company's issued share capital is listed on the Channel Islands Securities Exchange Authority (CISE).

Although the combined code on corporate governance issued in 2006 does not apply to companies listed on CISE, Shareholders expect companies in which they invest to be properly governed. The Board of Directors believe that the features of good corporate governance apply as much in the interests of smaller companies as they do to larger companies. The Board have therefore decided to follow a simple set of guidelines for corporate governance as set out by the Quoted Companies Alliance ("QCA").

The main features of corporate governance include:

a) **Efficient Management**

- It should be clear where responsibility lies for the management of the company and for the achievement of the key tasks.
- Procedures should be in place to protect the company's assets.
- The basis on which key decisions are taken should be transparent.
- There should be a vision of what the company is trying to achieve and an understanding of what is required to achieve this target.

b) **Effective Management**

- The Board should possess the appropriate skills and experience in order to make the key decisions expected of it.
- Decisions should be taken using the information which is accurate, sufficient, timely and clear.
- The collective responsibility of the Board requires all Directors to be involved in the process of making significant decisions.

c) **Benefit of all Shareholders over the Longer Term**

- Vested interests should not be able to act in a manner contrary to the common good of all Shareholders.
- Transactions with Management, key Shareholders and other related parties should be reported.
- A dialogue should exist between Shareholders and the Board, so that each party is aware of the other's objectives and so that the Shareholders are aware of any constraints on the company.

## Board of Directors

**Christopher Powell**
**Non-Executive Chairman (Aged 54)**
Joined the company in January 2012. Currently a consultant to Jones Lang LaSalle Ltd having previously been the Chairman of the Retail Group at Jones Lang Lasalle Ltd. Earlier he was the CEO of Churston Heard.

**Duncan Kennedy**
**Managing Director (Aged 49)**
Joined the company in 1993 and appointed as a Director in February 1995 and Managing Director in 1997. He has overall responsibility for all investment and trading business.

**Paul Schorb FCCA**
**Finance Director and Company Secretary (Aged 58)**
Joined the company in November 1996. Appointed as Company Secretary in March 1997 and as Finance Director in October 2008.

**Ben Green MRICS**
**Property Director (Aged 41)**
Appointed a Director of Glenstone Property on 19 March 2012. Previously he had been a partner at Kitchen La Frenais Morgan.

**John Nugent**
**Non-Executive Director (Aged 57)**
Joined the company in January 2004. Currently the Chairman of Equiom Solutions Ltd.

The Board operates within the terms of the company's Articles of Association.

The Board currently consists of three Executive Directors and two Non-Executive Directors. This composition provides a blend of experience and qualifications and the number of Non-Executives provides a strong basis for ensuring the appropriate level of corporate governance exists. Decisions taken by the Board as a whole are implemented by the Executive Directors.

# CORPORATE GOVERNANCE REPORT

The Board meets not less than four times in a year and the Chairman and Non-Executive Directors also meet without the Executive Directors being present. Each Director is provided with a pack of board papers in advance of each meeting, which contains detailed schedules of key performance indicators, accounts and notes on any important decisions which the Board are required to take.

The Board is also kept informed of all relevant information regarding the business, between formal meetings by ad hoc reports and memorandum.

The Company's Articles of Association, require that all Directors are subject to re-election at least every three years. In addition, new Directors are subject to re-election by Shareholders at the Annual General Meeting after their initial appointment.
The Company Secretary keeps the Board and CISE informed of corporate governance issues and all board members have access to independent advice if required.

In support of good corporate governance, the Board has established the following Committees:

a) **Audit Committee**

The Audit Committee comprises all the Non-Executive Directors and is chaired by John Nugent, a director of Equiom Solutions Ltd, who is considered to have the appropriate knowledge and relevant experience. The Committee will meet at least twice a year and will be responsible for:

i) Reviewing the annual and interim financial statements prior to approval, focusing on changes in accounting policies, major judgemental areas, significant audit adjustments and compliance with accounting standards, CISE and legal requirements.

ii) Considering the appointment of the Auditors and their remuneration, independence and objectivity.

iii) Considering internal financial controls.

iv) Implementing a policy on the engagement of the external auditor to supply non-audit services.

b) **Remuneration Committee**

A Remuneration Committee Meeting made up of Non-Executive Directors and chaired by Chris Powell is held at the January Board Meeting and at other meetings as required, to discuss employment matters, pension entitlements, other benefits and to fix the remuneration of Directors.

## Board and Committee Attendance

The attendance of Board or Committee Meetings during the year to 31 January 2015 was as follows:-

| | Board | Remuneration | Audit |
|---|---|---|---|
| D. J. Kennedy | 5 | * | * |
| P. C. Schorb | 5 | * | * |
| B. P. Green | 5 | * | * |
| C. L. Powell | 5 | 1 | 2 |
| J. H. Nugent | 5 | 1 | 2 |

* Not a member of the committee

## Risk Management

The Board recognises the need for effective high level internal controls. High level controls in operation within the company include:-

i) Reviewing the full and half yearly management accounts with comparison against budget and previous year performance.

ii) Approval by the Board of all acquisitions and disposals of investment and development properties.

## Risks and Uncertainties

A summary of the main risks and uncertainties and the principal mitigating actions are set out within the notes to the accounts on page 21.

## Directors' Interests in Ordinary Shares

The interests of the current Directors in the issued share capital of the company are shown below:-

| | 31 January 2015 | 31 January 2014 |
|---|---|---|
| D. J. Kennedy | 65,107 | 65,007 |
| B.P. Green | - | - |
| J. H. Nugent | - | - |
| C. L Powell | - | - |
| P. C. Schorb | 2,100 | 2,100 |

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLENSTONE PROPERTY PLC

We have audited the Company's and Group's financial statements of Glenstone Property plc for the year ended 31 January 2015 which comprise the Consolidated Profit and Loss Account, the Group and Company Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses 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 auditors' 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 the Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the 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 Group's and the Parent Company's affairs as at 31 January 2015 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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.

**Ian Hunt FCA (Senior Statutory Auditor)**
**for and on behalf of Clear & Lane Limited**
**Chartered Accountants**
**Statutory Auditor**

340 Melton Road
Leicester
LE4 7SL

18 March 2015

# CONSOLIDATED PROFIT AND LOSS ACCOUNT
# FOR THE YEAR ENDED 31 JANUARY 2015

| | Notes | | 2015 £ | | 2014 £ |
|---|---|---|---|---|---|
| **Turnover** | **3** | | 5,299,311 | | 5,644,359 |
| Cost of sales | | | (207,221) | | (371,840) |
| **Gross profit** | | | 5,092,090 | | 5,272,519 |
| Administrative expenses | | (1,170,583) | | (875,067) | |
| Less: Profit on disposal of tangible assets | | 1,513,292 | | 430,266 | |
| | | | 342,709 | | (444,801) |
| **Operating profit** | **4** | | 5,434,799 | | 4,827,718 |
| Interest payable | **5** | | (891,384) | | (687,691) |
| **Profit on ordinary activities before taxation** | | | 4,543,415 | | 4,140,027 |
| Taxation | 6 | | - | | (106,211) |
| **Profit on ordinary activities after taxation** | | | 4,543,415 | | 4,033,816 |
| Property Income Distributions | 7 | | (2,994,267) | | (2,831,420) |
| **Profit for the year retained** | 16 | | 1,549,148 | | 1,202,396 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**Profit for the financial year retained in:**

| | | | |
|---|---|---|---|
| The Company | | 1,552,237 | 838,016 |
| **Earnings per share** | 8 | 106.4p | 94.5p |

# STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

# FOR THE YEAR ENDED 31 JANUARY 2015

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| **Profit for the financial year** | 4,543,415 | 4,033,816 |
| Unrealised surplus/(deficit) on revaluation of properties | 546,347 | (1,677,239) |
| **Total recognised gains and losses relating to the year** | 5,089,762 | 2,356,577 |

**Note of historical cost profits and losses**

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| **Reported profit on ordinary activities before taxation** | 4,543,415 | 4,140,027 |
| Realisation of property revaluation gains of previous years | 126,443 | 366,879 |
| **Historical cost profit on ordinary activities before taxation** | 4,669,858 | 4,506,906 |
| **Historical cost profit for the year retained after taxation, extraordinary items and dividends** | 1,675,591 | 1,569,275 |

# BALANCE SHEET
# AS AT 31 JANUARY 2015

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2015 | 2014 | 2015 | 2014 |
| | **Notes** | **£** | **£** | **£** | **£** |
| **Fixed assets** | | | | | |
| Tangible assets | **9** | 61,305,066 | 63,946,856 | 61,305,066 | 63,946,856 |
| Investments | **10** | - | - | 100 | 100 |
| | | 61,305,066 | 63,946,856 | 61,305,166 | 63,946,956 |
| **Current assets** | | | | | |
| Debtors | **11** | 762,046 | 854,312 | 762,046 | 828,998 |
| Cash at bank and in hand | | 1,967,548 | 101,238 | 1,967,095 | 15,199 |
| | | 2,729,594 | 955,550 | 2,729,141 | 844,197 |
| **Creditors: amounts falling due within one year** | **12** | (2,106,553) | (2,769,794) | (8,821,457) | (9,376,887) |
| **Net current assets/(liabilities)** | | 623,041 | (1,814,244) | (6,092,316) | (8,532,690) |
| **Total assets less current liabilities** | | 61,928,107 | 62,132,612 | 55,212,850 | 55,414,266 |
| **Creditors: amounts falling due after more than one year** | **13** | (12,700,000) | (15,000,000) | (12,700,000) | (15,000,000) |
| | | 49,228,107 | 47,132,612 | 42,512,850 | 40,414,266 |
| **Capital and reserves** | | | | | |
| Called up share capital | **15** | 85,412 | 85,412 | 85,412 | 85,412 |
| Share premium account | **16** | 1,094,562 | 1,094,562 | 1,094,562 | 1,094,562 |
| Revaluation reserve | **16** | (877,463) | (1,297,367) | (249,126) | (669,030) |
| Capital redemption reserve | **16** | 18,163 | 18,163 | 18,163 | 18,163 |
| Profit and loss account | **16** | 48,907,433 | 47,231,842 | 41,563,839 | 39,885,159 |
| **Shareholders' funds** | **17** | 49,228,107 | 47,132,612 | 42,512,850 | 40,414,266 |

The financial statements were approved by the Board of Directors on 18 March 2015 and were signed on its behalf by:

C. L. Powell MRICS
**Director**

**Company Registration No. 00986343**

# CONSOLIDATED CASH FLOW STATEMENT
# FOR THE YEAR ENDED 31 JANUARY 2015

| | Notes | £ | 2015 £ | £ | 2014 £ |
|---|---|---|---|---|---|
| **Net cash inflow from operating activities** | **1** | | 4,244,366 | | 4,042,303 |
| **Returns on investments and servicing of finance** | | | | | |
| Interest paid | | (891,384) | | (687,691) | |
| **Net cash outflow from returns on investments and servicing of finance** | | | (891,384) | | (687,691) |
| **Taxation** | | | (106,198) | | (101,743) |
| **Capital expenditure** | | | | | |
| Payments to acquire tangible assets | | (25,938) | | (1,902,970) | |
| Receipts from sales of tangible assets | | 4,699,920 | | 4,185,266 | |
| **Net cash inflow from capital expenditure** | | | 4,673,982 | | 2,282,296 |
| **Property income distributions paid** | | | (2,994,267) | | (2,831,420) |
| **Net cash inflow before management of liquid resources and financing** | | | 4,926,499 | | 2,703,745 |
| **Financing** | | | | | |
| Revolving credit facility movement | | (2,300,000) | | (3,500,000) | |
| **Net cash (outflow) from financing** | | | (2,300,000) | | (3,500,000) |
| **Increase/(decrease) in cash in the year** | | | 2,626,499 | | (796,255) |

## NOTES TO THE CASH FLOW STATEMENT

| 1 | **Reconciliation of operating profit to net cash inflow from operating activities** | **2015** | **2014** |
|---|---|---|---|
| | | **£** | **£** |
| | Operating profit | 5,434,799 | 4,827,718 |
| | Depreciation | 27,447 | 27,696 |
| | Profit on disposal of tangible assets | (1,513,292) | (430,266) |
| | Decrease/(increase) in debtors | 92,266 | (247,003) |
| | Increase/(decrease) in creditors within one year | 203,146 | (135,842) |
| | **Net cash inflow from operating activities** | 4,244,366 | 4,042,303 |

| 2 | **Analysis of net debt** | **1 February 2014** | **Cash flow** | **31 January 2015** |
|---|---|---|---|---|
| | | **£** | **£** | **£** |
| | Net cash: | | | |
| | Cash at bank and in hand | 101,238 | 1,866,310 | 1,967,548 |
| | Bank overdrafts | (821,620) | 760,189 | (61,431) |
| | | (720,382) | 2,626,499 | 1,906,117 |
| | Revolving credit facility movement | (15,000,000) | 2,300,000 | (12,700,000) |
| | | (15,720,382) | 4,926,499 | (10,793,883) |

| 3 | **Reconciliation of net cash flow to movement in net debt** | **2015** | **2014** |
|---|---|---|---|
| | | **£** | **£** |
| | Balance at 31 January 2014 | (15,720,382) | (18,424,127) |
| | Net cash inflow/(outflow) during the year | 2,626,499 | (796,255) |
| | Revolving credit facility movement | 2,300,000 | 3,500,000 |
| | Balance at 31 January 2015 | (10,793,883) | (15,720,382) |

# NOTES TO THE ACCOUNTS

## 1 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Glenstone Property Plc (the "Company") is a public limited company domiciled in the UK. The shares are listed on the Channel Islands Securites Exchange Authority (CISE). The consolidated financial statements of the Company for the year ended 31 January 2015 comprise the Company and its subsidiaries (together referred to as the "Group"). The address of its registered office is Glenstone Property Plc, St John's House, East Street, Leicester, LE1 6NB.

### 1.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP) and the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The significant assumptions and estimates to the consolidated financial statements are disclosed in Note 2.

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries, Frankton House Limited, and F H Fletcher Gate Limited. In accordance with Section 408 of the Companies Act 2006, a separate profit and loss account of Glenstone Property Plc is not presented. The amount of profit after tax included in the consolidated results in respect of the parent company is £4,546,504 (2014: £3,669,436).

### 1.2 Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilites assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The difference between the cost of acquisition and the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is accounted for as goodwill or negative goodwill.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised profits and losses are also eliminated on consolidation.

**1 Accounting policies** **(Continued)**

**1.3 Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group operates in one business segment comprising property investment and development. The Group's operations are performed wholly in the United Kingdom.

**1.4 Investment properties**

Investment property comprises of freehold and long leasehold buildings. These comprise mainly of retail units, offices and industrial units, and are measured initially at cost, including related transaction costs. These are held as investments to earn rental income and for capital appreciation and are stated at fair value at the Balance Sheet date.

After initial recognition investment property is carried at fair value, based on market values; it is then determined annually by independent external valuers. The surplus or deficit arising from these valuations are transferred to or from revaluation reserve. When an existing investment property is redeveloped for continued future use as an investment property, it remains an investment property whilst in development.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

Although this accounting policy is in accordance with Statement of Standard Accounting Practice 19, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the Standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this, which might otherwise have been charged, cannot be separately identified or quantified.

Subsequent expenditure is added to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Profit and Loss Account during the financial period in which they are incurred.

The gain or loss arising on the disposal of investment properties is determined as the difference between the net sale proceeds and the carrying value of the asset at the beginning of the period and is recognised in the Profit and Loss Account.

## 1 Accounting policies (Continued)

### 1.5 Development property

Development properties are stated at the lower of cost and net realisable value. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent expenditure is included in the asset's carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other repair and maintenance expenditures are charged to the Profit and Loss Account during the financial period in which they are incurred.

### 1.6 Depreciation

Furniture and equipment and motor vehicles are shown at historical cost less depreciation and provision for impairment. Historic cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight line basis at rates appropriate to write off individual assets over their estimated useful lives of between four and ten years.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each Balance Sheet date. An asset is written down if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Profit and Loss Account.

### 1.7 Debtors

Trade debtors are recognised initially at invoice value and are subsequently measured less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables concerned. The amount of the provision is recognised in the Profit and Loss Account.

### 1.8 Cash at bank and in hand

Cash at bank and in hand are carried in the Balance Sheet at cost. They comprise cash in hand and deposits held at call with banks. Bank overdrafts are included within borrowings in current liabilities on the Balance Sheet.

### 1.9 Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

Costs relating to the raising of the new bank facilities (see note 13) are being charged to the Profit and Loss Account on a straight line basis over the term of the facility from 25 February 2014 until 1 August 2019.

### 1.10 Derivative financial instruments (derivatives) and hedge accounting

The Group uses interest rate swaps to help manage its interest rate risk. In accordance with its treasury policy, the Group does not hold or issue derivatives for trading purposes.

**1 Accounting policies (Continued)**

**1.11 Turnover**

Turnover represents rents receivable from investment properties, the proceeds received from the sale of development properties, and rents received from development properties prior to their sale. Proceeds from the sale of development properties are included in turnover on legal completion.

**1.12 Unamortised tenant lease incentives**

Leasehold incentives given to tenants on entering property leases are recognised as unamortised lease incentives on the balance sheet and are amortised to the income statement over the term of the lease or lease break date, if shorter.

**1.13 Lease renewal provisions**

Following the expiry of the rental period provisions are recognised based on the difference between the higher current rental being received and the estimated current rental value of the property.

**1.14 Taxation**

The tax charge in the Profit and Loss Account comprises corporation tax payable and deferred tax.

**(a) Deferred Taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is not recognised on timing differences arising on the revaluation of certain non REIT investment properties unless, by the balance sheet date, a binding agreement to sell the revalued asset has been entered into and recognised gains and losses are expected to arise on the sale.

**(b) Current Tax**

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates of corporation tax that have been enacted by the Balance Sheet date.

**1.15 Pension arrangements**

The Company operates defined contribution arrangements for all eligible Directors and employees. A defined contribution plan is a pension plan under which the Group pays contributions into a privately administered pension plan. Pension costs are charged to the Profit and Loss Account in the period when they fall due.

**1.16 Revenue recognition**

**(a) Rental income**

Revenue comprises the fair value of rental income, service charges and management charges from properties (net of value added tax).

This income is recognised as it falls due, in accordance with the lease to which it relates. Any lease incentives are spread evenly across the period of the lease.

**(b) Interest income**

Interest income on any short-term deposits is recognised in the Profit and Loss Account as it accrues.

**1 Accounting policies** **(Continued)**

**1.17 Property Income Distributions**

Distributions to the Company's shareholders are recognised as a liability in the Group's Financial Statements in the period in which the distributions are approved by the Company's shareholders. Interim distributions are recognised when paid.

**1.18 Financial risk management**

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk and cash flow interest rate risk.

**(a) Credit risk**

The Group has no significant concentrations of credit risk. It has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any financial institution. The Group has no significant concentration of credit risk as exposure is spread over a large number of tenants.

**(b) Cash flow and fair value interest rate risk**

The Group has no significant interest bearing assets. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase as a result of such changes. They may reduce or create losses in the event that unexpected movements arise.

The Group has an interest rate SWAP fixing £10m of borrowings at 4.55% until 1 August 2019.

At 31 January 2015, approximately 92% (2014: 63%) of the Group's borrowings were protected against future interest rate volatility, by using interest rate swaps to protect floating rate borrowings.

**(c) Capital risk**

The Group's objective in managing capital is to maintain a strong capital base to support current operations and planned growth, and to provide for an appropriate level of distributions to shareholders.

The Group is not subject to external regulatory capital requirements.

**2 Critical accounting estimates and judgements**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Fair value of investment properties**

Investment properties are revalued at fair value by independent external valuers, Jones Lang LaSalle Ltd each year at 31 January.

## 3 Turnover and profit on ordinary activities before taxation

| | Turnover 2015 £ | Turnover 2014 £ |
|---|---|---|
| Rents received - Investment properties | 5,299,311 | 5,621,859 |
| Rents received - Development properties | - | 22,500 |
| | 5,299,311 | 5,644,359 |

Profit on ordinary activities before taxation arises from:

| | 2015 £ | 2014 £ |
|---|---|---|
| Property investment | 4,546,936 | 4,124,332 |
| Property development | (3,521) | 15,695 |
| | 4,543,415 | 4,140,027 |

## 4 Operating profit

| | | 2015 £ | | 2014 £ |
|---|---|---|---|---|
| Operating profit is stated after charging: | | | | |
| Depreciation of tangible assets | | 27,447 | | 27,696 |
| Operating lease rentals - land and buildings | | 11,750 | | 11,750 |
| Auditors' remuneration - Company | 15,150 | | 13,150 | |
| Auditors' remuneration - Subsidiaries | 1,100 | | 2,500 | |
| | | 16,250 | | 15,650 |
| Auditors' remuneration - taxation | | 930 | | 725 |
| | | 17,180 | | 16,375 |
| and after crediting: | | | | |
| Profit on disposal of tangible assets | | (1,513,292) | | (430,266) |

## 5 Interest payable

| | 2015 £ | 2014 £ |
|---|---|---|
| On bank loans and overdrafts | 891,384 | 687,691 |

| 6 | Taxation | 2015 | 2014 |
|---|---|---|---|
| | | £ | £ |
| | **Domestic current year tax** | | |
| | U.K. corporation tax | - | 106,199 |
| | Adjustment for prior years | - | 12 |
| | **Total current tax** | - | 106,211 |
| | **Factors affecting the tax charge for the year** | | |
| | Profit on ordinary activities before taxation | 4,543,415 | 4,140,027 |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.33% (2014 - 23.16%) | 968,802 | 958,897 |
| | Effects of: | | |
| | REIT exempt income and gains | (969,430) | (848,500) |
| | Marginal rate relief | - | (4,198) |
| | Adjustments to previous periods | - | 12 |
| | Group relief | 628 | - |
| | | (968,802) | (852,686) |
| | **Current tax charge for the year** | - | 106,211 |

Glenstone Property Plc elected for Company Real Estate Investment Trust ("REIT") status with effect from 1 February 2009. As a result the company will no longer pay UK Corporation Tax on the profits and gains from qualifying rental business in the UK provided it meets certain conditions. Non-qualifying profits of the Group continue to be subject to corporation tax as normal.

| 7 | Distributions | | 2015 | 2014 |
|---|---|---|---|---|
| | | | £ | £ |
| | **Property income distributions** | | | |
| | Second Interim (2014) | 23.0p per share (2013 - 21.0p) | 982,242 | 896,830 |
| | Final (2014) | 24.1p per share (2013 - 22.3p) | 1,029,783 | 952,348 |
| | Interim (2015) | 23.0p per share (2014 - 23.0p) | 982,242 | 982,242 |
| | | | 2,994,267 | 2,831,420 |

# NOTES TO THE ACCOUNTS

## 8 Earnings per share

The calculation of earnings per share is based on the profit on ordinary activities after taxation of £4,543,415 (2014 : £4,033,816) and 4,270,618 ordinary shares being, the weighted average number of shares in issue during the year (2014 : 4,270,618).

## 9 Tangible Fixed Assets

| | Investment properties | Furniture and equipment | Motor vehicles | Total |
|---|---|---|---|---|
| **Group and Company** | **£** | **£** | **£** | **£** |
| **Cost or valuation** | | | | |
| At 1 February 2014 | 63,876,000 | 63,136 | 97,648 | 64,036,784 |
| Additions | - | 3,509 | 22,429 | 25,938 |
| Disposals | (3,184,347) | (43,798) | (27,248) | (3,255,393) |
| Revaluation | 546,347 | - | - | 546,347 |
| At 31 January 2015 | 61,238,000 | 22,847 | 92,829 | 61,353,676 |
| **Depreciation** | | | | |
| At 1 February 2014 | - | 52,958 | 36,970 | 89,928 |
| On disposals | - | (43,798) | (24,967) | (68,765) |
| Charge for the year | - | 3,638 | 23,809 | 27,447 |
| At 31 January 2015 | - | 12,798 | 35,812 | 48,610 |
| **Net book value** | | | | |
| At 31 January 2015 | 61,238,000 | 10,049 | 57,017 | 61,305,066 |
| At 31 January 2014 | 63,876,000 | 10,178 | 60,678 | 63,946,856 |

At the year end, the investment properties were revalued by Jones Lang LaSalle Ltd Chartered Surveyors, on an open market basis for existing use.

The cost and net book value of the investment properties for the group under the historical cost convention amounted to £62,153,691 (2014 : £65,212,135). The corresponding values for the company are £61,525,354 (2014: £64,583,798).

## 10 Fixed asset investments

The principal activity of the wholly owned subsidiary, Frankton House Limited, which is incorporated in England and Wales, is property development and trading.

Frankton House Limited has one wholly owned subsidiary F H Fletcher Gate Limited, incorporated in England and Wales, whose principal activity was that of property investment until it ceased to trade on 31 January 2014.

F H Fletcher Gate Limited has one wholly owned subsidiary F H Fletcher Gate Residential Limited which was dormant during the year.

## 11 Debtors

| | Group | | Company | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| | **£** | **£** | **£** | **£** |
| **Due within one year:** | | | | |
| Trade debtors | 661,453 | 828,026 | 661,453 | 802,713 |
| Other debtors | 100,593 | 26,286 | 100,593 | 26,285 |
| | 762,046 | 854,312 | 762,046 | 828,998 |

Included within the trade debtors balance of the group and the company are lease incentives that will be amortised in greater than one year. These amounted to £385,130 (2014 : £434,976).

The Directors consider that the carrying amount of trade debtors approximates to their fair value. The credit risk in respect of trade debtors is not concentrated as the Group has many tenants spread across a number of industry sectors. In addition, the tenants rents are generally payable in advance.

The predominant class within trade debtors is rent receivable. The maximum exposure to credit risk at the reporting date is the carrying value of trade debtors as mentioned above. In assessing whether trade debtors are impaired, each debt is considered on an individual basis, and provision is made based upon specific knowledge of each tenant.

## 12 Creditors: Amounts falling due within one year

| | Group 2015 £ | Group 2014 £ | Company 2015 £ | Company 2014 £ |
|---|---|---|---|---|
| Bank loans and overdrafts | 61,431 | 821,620 | - | 818,348 |
| Trade creditors | 965,767 | 1,375,592 | 965,767 | 1,279,943 |
| Corporation tax | - | 106,198 | - | 1,822 |
| Other taxes and social security costs | 419,853 | 204,821 | 419,853 | 181,798 |
| Other creditors | 659,502 | 261,563 | 658,392 | 259,046 |
| Amounts owed to group companies | - | - | 6,777,445 | 6,835,930 |
| | 2,106,553 | 2,769,794 | 8,821,457 | 9,376,887 |

## 13 Creditors: Amounts falling due after more than one year

| | Group 2015 £ | Group 2014 £ | Company 2015 £ | Company 2014 £ |
|---|---|---|---|---|
| Revolving credit facility | 12,700,000 | 15,000,000 | 12,700,000 | 15,000,000 |

On 25 February 2014, the Group entered into a Revolving Credit Facility until 1 August 2019 of up to a maximum of £25,000,000. Interest payable on the facility is based upon the one month LIBOR, plus 2.5% margin.

On the same date, the Group also renewed its overdraft facility of up to a maximum of £1,000,000. Interest payable on the facility is based upon Bank base rate, plus 2.0% margin.

The revolving credit facility and overdrafts are secured by a first legal charge, over certain of the Group's investment properties.

## 14 Financial Instruments

The group's policy in respect of the use of financial instruments to manage risk is detailed in the accounting policies on page 21. Interest rates are hedged by the following instruments.

| Instrument | Principal £ | Rate % | Expiry |
|---|---|---|---|
| SWAP | 10,000,000 | 4.55 | August 2019 |

## 15 Share capital

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| **Authorised** | | |
| 5,500,000 Ordinary shares of 2p each | 110,000 | 110,000 |
| **Allotted, called up and fully paid** | | |
| 4,270,618 Ordinary shares of 2p each (2014: 4,270,618) | 85,412 | 85,412 |

There is no ultimate controlling party.

## 16 Reserves

| | Share Premium Account | Revaluation Reserve | Capital Redemption Reserve | Profit and Loss Account |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **The Group** | | | | |
| Balance at 1 February 2014 | 1,094,562 | (1,297,367) | 18,163 | 47,231,842 |
| Profit for the year | - | - | - | 1,549,148 |
| Surplus on revaluation of properties | - | 546,347 | - | - |
| Eliminated on disposals | - | (126,443) | - | 126,443 |
| Balance at 31 January 2015 | 1,094,562 | (877,463) | 18,163 | 48,907,433 |

| | Share Premium Account | Revaluation Reserve | Capital Redemption Reserve | Profit and Loss Account |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **The Company** | | | | |
| Balance at 1 February 2014 | 1,094,562 | (669,030) | 18,163 | 39,885,159 |
| Profit for the year | - | - | - | 1,552,237 |
| Surplus on revaluation of properties | - | 546,347 | - | - |
| Eliminated on disposals | - | (126,443) | - | 126,443 |
| Balance at 31 January 2015 | 1,094,562 | (249,126) | 18,163 | 41,563,839 |

The Directors are of the opinion that all of the profit and loss account balance is available for distribution.

### 17 Reconciliation of movements in shareholders' funds

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Profit for the financial year | 4,543,415 | 4,033,816 |
| Property income distributions | (2,994,267) | (2,831,420) |
| Net addition in shareholders' funds | 1,549,148 | 1,202,396 |
| Unrealised surplus/(deficit) on revaluation of properties | 546,347 | (1,677,239) |
| Net addition/(depletion) to shareholders' funds | 2,095,495 | (474,843) |
| Opening shareholders' funds | 47,132,612 | 47,607,455 |
| Closing shareholders' funds | 49,228,107 | 47,132,612 |

### 18 Contingent liabilities

There is an omnibus guarantee and set off agreement in favour of the Company's bankers for amounts due by Group Companies. The potential Company liability at the year end in respect of subsidiary bank borrowings is £61,431 (2014: £3,272).

### 19 Financial commitments

At 31 January 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2016:

| | Land and buildings | |
|---|---|---|
| | 2015 | 2014 |
| | £ | £ |
| Operating leases which expire: | | |
| Between one and two years | 1,958 | 11,750 |

**20 Directors' remuneration**

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Emoluments (see note 1 below) | 846,090 | 551,001 |
| Pension costs | 50,622 | 31,205 |
| Pensions to former Director | 10,000 | 10,000 |
| | 906,712 | 592,206 |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014- 2).

Directors' remuneration disclosed above include the following amounts paid to the highest paid Director:

| | £ | £ |
|---|---|---|
| Emoluments (see note 1) | 536,070 | 274,381 |

Note 1

The above figures includes compensation of £215,250 payable to the highest paid director in lieu of a reduction in future salary equivalent to 3 years service.

**21 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the year was:

| | 2015 | 2014 |
|---|---|---|
| | Number | Number |
| | 6 | 7 |

**Employment costs (including Directors)**

| | £ | £ |
|---|---|---|
| Wages and salaries | 844,405 | 545,467 |
| Social security costs | 106,048 | 68,107 |
| Pension costs | 59,651 | 40,547 |
| | 1,010,104 | 654,121 |

**22 Related party transactions**

The group has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared.

# INVESTMENT PROPERTY PORTFOLIO

| Ten Principal Properties | | Valuation at 31 January 2015 £'000 |
|---|---|---|
| Nottingham | Retail Units (7) | 4,250 |
| Barnstaple | Retail Unit | 3,280 |
| Billericay | Mixed Retail & Offices | 2,100 |
| Hexham | Retail Units (3) | 2,038 |
| Scarborough | Retail Units (2) | 1,625 |
| Chichester | Retail Units | 1,550 |
| Loughborough | Retail Units (2) | 1,410 |
| Billericay | Retail Unit | 1,400 |
| Chichester | Retail Unit | 1,375 |
| Gloucester | Retail Unit | 1,250 |
| | | 20,278 |
| 77 Other Retail / Industrial / Office Units | | 40,960 |
| | | 61,238 |

**Valuation Summary**

The independent valuation of our investment portfolio, undertaken by Jones Lang LaSalle Ltd, Chartered Surveyors as at 31 January 2015, shows an increase of £546,347 (0.9%) on a like-for-like basis. This increase in portfolio value is consistent with reported figures generally throughout the industry.

Voids currently stand at 3.74% (2014 : 3.35%) of rents receivable. Rents received represent an 8.41% (2014 : 9.00%) return on the valuation at 31 January 2015.

# FIVE YEAR FINANCIAL SUMMARY

| | 2015 £'000 | 2014 £'000 | 2013 £'000 | 2012 £'000 | 2011 £'000 |
|---|---|---|---|---|---|
| **Results** | | | | | |
| Revenue | 5,299 | 5,644 | 6,154 | 5,557 | 5,506 |
| Trading profits | | | | | |
| - arising from property investment | 4,547 | 4,124 | 3,605 | 3,608 | 4,882 |
| - arising from property development | (4) | 16 | 101 | (61) | (93) |
| Profit before tax | 4,543 | 4,140 | 3,706 | 3,547 | 4,789 |
| Corporation tax | - | (106) | (103) | (41) | (50) |
| Profit after tax | 4,543 | 4,034 | 3,603 | 3,506 | 4,739 |
| Distributions | (2,994) | (2,831) | (3,096) | (3,133) | (3,011) |
| Profit retained | 1,549 | 1,203 | 507 | 373 | 1,728 |
| Earnings per share | 106.4p | 94.5p | 84.4p | 82.1p | 111.0p |
| Gross PID per share | 70.1p | 66.3p | 72.5p | 73.4p | 70.5p |
| Dividend cover | 1.52 | 1.43 | 1.16 | 1.12 | 1.57 |
| Net asset value per share | £11.53 | £11.04 | £11.14 | £12.22 | £13.38 |
| **Funds** | | | | | |
| Share capital | 85 | 85 | 85 | 85 | 85 |
| Share premium account | 1,095 | 1,095 | 1,095 | 1,095 | 1,095 |
| Revaluation reserve | (877) | (1,297) | 747 | 5,900 | 11,227 |
| Capital redemption reserve | 18 | 18 | 18 | 18 | 18 |
| Profit and loss | 48,907 | 47,232 | 45,662 | 45,078 | 44,705 |
| Total shareholders' funds | 49,228 | 47,133 | 47,607 | 52,176 | 57,130 |
| Bank loan | 12,700 | 15,000 | - | 18,500 | 13,500 |
| | 61,928 | 62,133 | 47,607 | 70,676 | 70,630 |
| **Employment of funds** | | | | | |
| Fixed assets | 61,305 | 63,947 | 67,084 | 72,616 | 72,106 |
| Net current assets/( liabilities) | 623 | (1,814) | (19,477) | (1,940) | (1,476) |
| | 61,928 | 62,133 | 47,607 | 70,676 | 70,630 |