

Registered Number: SC475396

**MERCHANT PROPERTIES SCOTLAND LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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# **MERCHANT PROPERTIES SCOTLAND LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	S P King A J Johnston
<b>Company Secretary</b>	B W C McGhee
<b>Company Number</b>	SC475396
<b>Registered Office</b>	Hamilton House 70 Hamilton Drive Glasgow G12 8DR
<b>Auditor</b>	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
<b>Solicitors</b>	Morton Fraser LLP Quatermile Two 2 Lister Square Edinburgh EH3 9GL
<b>Bankers</b>	Clydesdale Bank plc 30 St Vincent Place Glasgow G1 2HL

# **MERCHANT PROPERTIES SCOTLAND LIMITED**

## **CONTENTS**

	Page
<b>Directors' report</b>	1
<b>Statement of directors' responsibilities</b>	2
<b>Independent auditor's report</b>	3-4
<b>Profit and loss account</b>	5
<b>Statement of changes in equity</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8-16

# **MERCHANT PROPERTIES SCOTLAND LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the financial statements for the year ended 31 March 2016.

### **Results and dividend**

The loss for the year, after taxation, amounted to £44,350 (2015: profit £18,230). The directors do not recommend a dividend (2015: £nil).

The comparative financial information relates to the period from date of incorporation to 31 March 2015.

### **Directors**

The directors who served during the year were:

A J Johnston  
S P King

### **Provision of information to auditor**

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this directors' report advantage has been taken of the small companies' exemption.

This report was approved by the board on  
behalf.

6/9/16

and signed on its



**S P KING**  
Director

## **MERCHANT PROPERTIES SCOTLAND LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2016**

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), including Financial Reporting Standards 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 year. 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; 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

## **MERCHANT PROPERTIES SCOTLAND LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCHANT PROPERTIES SCOTLAND LIMITED**

We have audited the financial statements of Merchant Properties Scotland Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Balance Sheet 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and 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](http://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 March 2016 and of its loss 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.

## MERCHANT PROPERTIES SCOTLAND LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCHANT PROPERTIES SCOTLAND LIMITED

#### 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 the requirement to prepare a Strategic Report.



*Martin Gill (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*Glasgow, UK*  
*Date 6/9/16*

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

# MERCHANT PROPERTIES SCOTLAND LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
<b>TURNOVER</b>	1,3	<b>865,584</b>	958,536
Cost of sales		<u>(264,029)</u>	<u>(326,894)</u>
<b>GROSS PROFIT</b>		<b>601,555</b>	631,642
Selling and distribution expenses		(432,735)	(467,596)
Administrative expenses		(204,163)	(127,403)
Other operating expenses		1,645	(140)
<b>OPERATING (LOSS) / PROFIT</b>	4	<u>(33,698)</u>	<u>36,503</u>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<u>(33,698)</u>	<u>36,503</u>
Interest payable	6	(7,945)	(4,128)
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(41,643)</u>	<u>32,375</u>
Taxation	8	(2,707)	(14,145)
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u><u>(44,350)</u></u>	<u><u>18,230</u></u>

All results shown above are in respect of continuing activities.

The notes on pages 8 to 16 form part of these financial statements.



**MERCHANT PROPERTIES SCOTLAND LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Called-up Share capital £</b>	<b>Share Premium £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
<b>At 15 April 2014</b>	-	-	-	-
Share capital issued	4	-	-	4
Share Premium issued	-	1,182,596	-	1,182,596
Profit and total Comprehensive income for the period	-	-	18,230	18,230
<b>At 31 March 2015</b>	<u>4</u>	<u>1,182,596</u>	<u>18,230</u>	<u>1,200,830</u>
Loss and total Comprehensive income for the year	-	-	(44,350)	(44,350)
Dividend Paid				
<b>At 31 March 2016</b>	<u>4</u>	<u>1,182,596</u>	<u>(26,120)</u>	<u>1,156,480</u>

The notes on pages 8 to 16 form part of these financial statements.

# MERCHANT PROPERTIES SCOTLAND LIMITED

## BALANCE SHEET AS AT 31 MARCH 2016

	Note	2016 £	2016 £	2015 £	2015 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		1,554,807		1,578,730
<b>CURRENT ASSETS</b>					
Stock	10	6,395		6,810	
Debtors	11	111,162		4,435	
Cash in hand and at bank		67,429		155,882	
		<u>184,986</u>		<u>167,127</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	(301,544)		(266,608)	
<b>NET CURRENT LIABILITIES</b>			<u>(116,558)</u>		<u>(99,481)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,438,249		1,479,249
<b>CREDITORS: amounts falling due after more than one year</b>	13		(275,000)		(275,000)
<b>PROVISION: Deferred tax</b>	14		(6,769)		(3,419)
<b>NET ASSETS</b>			<u>1,156,480</u>		<u>1,200,830</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		4		4
Share premium			1,182,596		1,182,596
Profit and loss account			(26,120)		18,230
<b>SHAREHOLDERS' FUNDS</b>			<u>1,156,480</u>		<u>1,200,830</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board on 6/9/16 and were signed on its behalf by:



**S P King**  
Director

**Merchant Properties Scotland Limited**

**Registered Number: SC475396**

The notes on pages 8 to 16 form part of these financial statements

# **MERCHANT PROPERTIES SCOTLAND LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

### **1. ACCOUNTING POLICIES**

#### **1.1. Basis of preparation of financial statements**

Merchant Properties Scotland Limited is a company incorporated in Scotland under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

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 2).

In preparing the financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the company;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in the ultimate parent company's consolidated financial statements;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
- No disclosure is given of transactions between wholly owned members of the group to which this company belongs.

The following principal accounting policies have been applied:

#### **1.2. Turnover**

Turnover represents the amount derived from the receipts or receivables, excluding rebates, discounts and value added tax associated with the continuing principal activity of development and operation of entertainment, leisure and property facilities.

#### **1.3. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% - 10% straight line
Fixtures and fittings	-	10% - 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

#### **1.4 Operating leases : Lessee & lessor**

Operating lease rental expenses/income are charged/ credited to the profit and loss account on a straight line basis over the lease term.

### **1.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **1.6 Deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### **1.7 Reserves**

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### **1.8 Stocks**

Stocks are stated at the lower of cost and net realisable value.

## MERCHANT PROPERTIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The following judgements and estimates have had the most significant effects on amounts recognised in the financial statements.

##### **Taxation**

Management establish provisions for taxation based on reasonable estimates, for possible consequences of taxation. The amount of provision is based on various factors. Management's estimation is required to determine the amount of deferred tax asset that can be recognised, based upon likely timing and level of future taxable profits.

##### **Tangible fixed assets**

Management have estimated the useful life and residual values of the company's tangible fixed assets. This is based on management's experience of the industry and similar assets held within the group.

##### **Debtors and creditors**

Short term debtors and creditors are measured at transaction price, less any impairment.

#### 3. TURNOVER

The total turnover of the company for the year has been derived from its principal activity. All turnover arose within the United Kingdom.

#### 4. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	52,889	38,074
Operating lease rentals		
- land and buildings	<u>17,439</u>	<u>14,075</u>

The audit fee for the company is incurred by a fellow subsidiary company. The audit fee for this company is £3,000 (2015: £2,850).

The company, being a subsidiary, has taken exemption from disclosing non-audit remuneration payable as the required disclosure is made within the parent company statutory accounts.

**MERCHANT PROPERTIES SCOTLAND LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****5. STAFF COSTS**

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	279,691	308,453
Social security costs	14,949	24,302
	<u>294,640</u>	<u>332,755</u>

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

	2016	2015
	No.	No.
Managerial and administration	10	10
Hourly paid staff	13	13
	<u>23</u>	<u>23</u>

**6. INTEREST PAYABLE**

	2016	2015
	£	£
Other interest payable	<u>7,945</u>	<u>4,128</u>

**7. DIRECTORS' REMUNERATION**

	2016	2015
	£	£
Directors' fees	<u>130,000</u>	<u>70,833</u>

Both directors received remuneration in equal portions during the financial year.

# MERCHANT PROPERTIES SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 8. TAXATION

- a) The tax charge is based on profit for the year and comprises:

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax charge on profit for the year	-	10,726
Adjustment in respect of prior years	(643)	-
	<u>(643)</u>	<u>10,726</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,350	3,419
	<u>2,707</u>	<u>14,145</u>
<b>Tax on profit on ordinary activities</b>		

- b) The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>(41,643)</u>	<u>32,375</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	(8,328)	6,799
<i>Effects of:</i>		
Adjustment in respect of prior years	(643)	-
Fixed asset differences	9,695	-
Group relief	1,727	-
Adjust closing deferred tax to average rate	(357)	-
Depreciation in excess of capital allowances	-	4,706
Expenses not deductible for tax purposes	-	157
Timing differences	(2,737)	(936)
Deferred taxation	3,350	3,419
Total tax charge for the year	<u>2,707</u>	<u>14,145</u>

**MERCHANT PROPERTIES SCOTLAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**9. TANGIBLE FIXED ASSETS**

	Short leasehold property £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 2015	1,481,703	135,141	1,616,844
Additions	5,889	23,077	28,966
At 31 March 2016	<u>1,487,592</u>	<u>158,218</u>	<u>1,645,810</u>
<b>Depreciation</b>			
At 1 April 2015	24,534	13,580	38,114
Charge for the year	29,634	23,255	52,889
At 31 March 2016	<u>54,168</u>	<u>36,835</u>	<u>91,003</u>
<b>Net book value</b>			
At 31 March 2016	<u>1,433,424</u>	<u>121,383</u>	<u>1,554,807</u>
At 31 March 2015	<u>1,457,169</u>	<u>121,561</u>	<u>1,578,730</u>

**10. STOCK**

	2016 £	2015 £
Bar and food stock	<u>6,395</u>	<u>6,810</u>

During the year stock of £264,029 (2015 - £326,894) was recognised in cost of sales.

**11. DEBTORS: Amounts falling due within one year**

	2016 £	2015 £
Trade debtors	7,898	-
Other debtors	90,960	1,080
Prepayments and accrued income	12,304	3,355
	<u>111,162</u>	<u>4,435</u>

**12. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	786	-
Amounts owed to group undertakings	236,559	168,330
Accruals and deferred income	34,809	56,267
Other creditors	4,444	-
Social security and other taxes	24,946	35,785
Corporation tax	-	6,226
	<u>301,544</u>	<u>266,608</u>



**MERCHANT PROPERTIES SCOTLAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**13. CREDITORS: Amounts falling due after more than one year**

	2016	2015
	£	£
Loan notes	<u>275,000</u>	<u>275,000</u>

**14. DEFERRED TAX**

	2016	2015
	£	£
At 1 April 2015	3,419	-
Charged in the year	<u>3,350</u>	<u>3,419</u>
At 31 March 2016	<u>6,769</u>	<u>3,419</u>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	<u>6,769</u>	<u>3,419</u>

**15. SHARE CAPITAL**

	2016	2015
	£	£
<b>Authorised</b>		
2 Ordinary A shares of £1 each	2	2
2 Ordinary B shares of £1 each	<u>2</u>	<u>2</u>
	<u>4</u>	<u>4</u>
<b>Allotted, called up and fully paid</b>		
2 ordinary A shares of £1 each	2	2
2 ordinary B shares of £1 each	<u>2</u>	<u>2</u>
	<u>4</u>	<u>4</u>

On incorporation of the company on 15 April 2014, share capital of 2 ordinary A shares of £1 each and 2 ordinary B shares of £1 each was authorised. On the same day, the authorised ordinary A & B shares were issued at par as an initial subscription of shares of the company.

## MERCHANT PROPERTIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 16. RELATED PARTY TRANSACTIONS

In the prior year the company acquired two properties from Peckham's Scotland Limited, a company controlled by a director of Merchant Properties Scotland Limited, for a consideration of £1.4m. Trading purchases were made from Peckham's Scotland Limited at arm's length during the year totalling £11,574 (2015: £13,504).

During the year advances were made to A J Johnston, a director of the company. The highest value of the director's loan account during the year was £90,960 (2015: £25,000).

During the year a management fee of £15,000 (2015: £13,750) was payable to one of company's shareholders, G1 Group (Holdings) PLC.

At 31 March 2016 a balance of £31 (2015: £26,984) was held in trade creditors on behalf of the company by G1 Group Plc, a company controlled by a director of Merchant Properties Scotland Limited.

#### 17. COMPARATIVE FINANCIAL INFORMATION

The comparative financial statements cover the year from 15 April 2014 to 31 March 2015.

#### 18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking for which group financial statements are drawn up and of which the company is a member is G1 Group (Holdings) plc, a company incorporated in Scotland. G1 Group (Holdings) plc owns 50% of the company with control being split evenly between G1 Group (Holdings) plc and A J Johnston. Copies of G1 Group (Holdings) plc consolidated financial statements are available from the company's registered office.

#### 19. OPERATING LEASE COMMITMENTS

##### LESSEE

The company leases out a property under a non - cancellable operating lease for the following future minimum lease payments.

	2016	2015
	£	£
Not later than 1 year	32,000	32,000
Later than 1 year and not later than 5 years	-	32,351
Later than 5 years	-	-
	<u>32,000</u>	<u>64,351</u>

##### LESSOR

	2016	2015
	£	£
Not later than 1 year	60,000	60,000
Later than 1 year and not later than 5 years	240,000	240,000
Later than 5 years	860,712	920,877
	<u>1,160,712</u>	<u>1,220,877</u>

# MERCHANT PROPERTIES SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 20. TRANSITION TO FRS 102

The company has transitioned to FRS 102 from former UK GAAP as at 15 April 2014. The impact from the transition to FRS 102 is as follows:

		Shareholders' Funds at 1 April 2015	Profit for the year ended 31 March 2015	Shareholders' funds as at 31 March 2015
		£	£	
As previously stated under former UK GAAP		1,182,600	13,773	1,196,373
<b>Transitional adjustments</b>				
Depreciation adjustment	1	-	4,457	4,457
<b>As restated in accordance with FRS 102</b>		<u>1,182,600</u>	<u>18,230</u>	<u>1,200,830</u>

### Changes for FRS 102 adoption

#### 1. Depreciation

As a result of componentisation of fixtures, fittings and equipment and inclusion of residual values as required by FRS 102 there has been an adjustment to the previously reported depreciation charge.