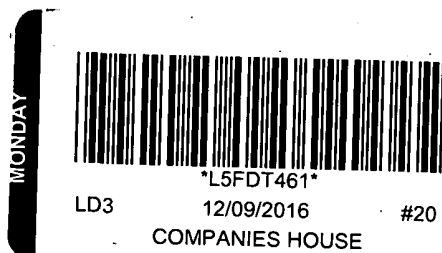




Financial Statements

Corob Central Properties Limited

For the year ended 31 December 2015



Registered number: 06877225

Corob Central Properties Limited
Registered number:06877225

Company Information

Directors

Mr F. Cook
Mr J. G. Radford, FCCA
Mr S. J. Wiseman

Company secretary

Mr J. G. Radford, FCCA

Registered number

06877225

Registered office

62 Grosvenor Street
London
W1K 3JF

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Corob Central Properties Limited
Registered number:06877225

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Corob Central Properties Limited

Directors' report For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

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

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

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

Principal activities

The principal activity of the company during the period was property investment.

Directors

The directors who served during the year were:

Mr F. Cook
Mr J. G. Radford, FCCA
Mr S. J. Wiseman

Disclosure of information to auditor

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

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

Corob Central Properties Limited

**Directors' report
For the year ended 31 December 2015**

Auditor

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

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

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



Mr J. G. Radford, FCCA
Secretary

Date: 8 September 2016



Independent auditor's report to the shareholders of Corob Central Properties Limited

We have audited the financial statements of Corob Central Properties Limited for the year ended 31 December 2015, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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 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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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 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.



Independent auditor's report to the shareholders of Corob Central Properties 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Grant Thornton UK LLP

Elizabeth Collins (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

London Euston

Date: *8 September 2016*

Corob Central Properties Limited
Registered number:06877225

Statement of comprehensive income
For the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	2,163,113	1,904,416
Cost of sales		(497,069)	(395,837)
Gross profit		1,666,044	1,508,579
Administrative expenses		(55,119)	(47,651)
Fair value adjustment	11	3,662,608	3,020,320
Operating profit	5	5,273,533	4,481,248
Interest receivable and similar income	8	10,030	633
Interest payable and expenses	9	(982,098)	(1,175,795)
Profit on ordinary activities before tax		4,301,465	3,306,086
Tax on profit	10	(422,718)	(605,287)
Profit for the year		3,878,747	2,700,799
Other comprehensive income for the year			
Total comprehensive income for the year		3,878,747	2,700,799

The notes on pages 8 to 19 form part of these financial statements.

Corob Central Properties Limited
Registered number:06877225

Statement of financial position
As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investment property	12	<u>57,681,194</u>	<u>54,018,086</u>
		57,681,194	54,018,086
Current assets			
Debtors: amounts falling due within one year	13	312,606	354,042
Cash at bank and in hand	14	<u>80,881</u>	<u>148,275</u>
		393,487	502,317
Creditors: amounts falling due within one year	15	<u>(35,078,805)</u>	<u>(35,692,682)</u>
Net current liabilities		(34,685,318)	(35,190,365)
Total assets less current liabilities		22,995,876	18,827,721
Provisions for liabilities			
Deferred tax	17	<u>(3,136,237)</u>	<u>(2,846,829)</u>
		(3,136,237)	(2,846,829)
Net assets		19,859,639	15,980,892
Capital and reserves			
Called up share capital	19	1,200	1,200
Revaluation reserve	20	20,881,952	17,219,344
Profit and loss account	20	<u>(1,023,513)</u>	<u>(1,239,652)</u>
Shareholders' funds		19,859,639	15,980,892

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



Mr S. J. Wiseman
Director

Date: 8 SEPTEMBER 2016

The notes on pages 8 to 19 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2015

	Share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2015	1,200	17,219,344	(1,239,652)	15,980,892
Comprehensive income for the year				
Profit for the year	-	-	3,878,747	3,878,747
Transfer to / from profit and loss account	-	3,662,608	(3,662,608)	-
At 31 December 2015	1,200	20,881,952	(1,023,513)	19,859,639

Statement of changes in equity
For the year ended 31 December 2014

	Share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2014	1,200	14,199,024	(920,131)	13,280,093
Comprehensive income for the year				
Profit for the year	-	-	2,700,799	2,700,799
Transfer to / from profit and loss account	-	3,020,320	(3,020,320)	-
At 31 December 2014	1,200	17,219,344	(1,239,652)	15,980,892

The notes on pages 8 to 19 form part of these financial statements.

Corob Central Properties Limited

Notes to the financial statements For the year ended 31 December 2015

1. General information

Corob Central Properties Limited is a private limited company, limited by shares and is incorporated in England. The registered office is 62 Grosvenor Street, London, W1K 3JF.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 23 for an explanation of the transition.

The financial statements are presented in Sterling (£).

2.2 Going concern

After reviewing the company's forecasts and projections, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence with the support of Corob Holdings Limited for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Cash flow exemption

The company has taken advantage of the exemption in FRS102 7.1B to not present a statement of cashflows.

2.4 Turnover

Revenue comprises rent and other property related income invoiced to tenants, exclusive of Value Added Tax. Rental income and service charges are recognised in the period to which they relate.

The cost of lease incentives is offset against the total rents due and the net income is then spread evenly over the the duration of the lease.

2.5 Investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the income statement and accumulated in the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the income statement for the year. The fair value is determined annually by valuation specialists employed by the Company.

The valuer used a valuation technique based on a discounted cash flow model using inputs derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in location. The key assumptions used to determine the fair value of investment property are further explained in note 3.

Notes to the financial statements
For the year ended 31 December 2015

2. Accounting policies (continued)

2.6 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements
For the year ended 31 December 2015

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

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

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements
For the year ended 31 December 2015

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Interest income

Interest income is recognised in the income statement using the effective interest method.

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

Investment properties

The fair value of the company's investment property as at 31 December 2015 was determined by the Directors. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties. Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

There are inter relationships between all the inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions.

Market value of interest

The directors are required to make judgements in determining a market rate of interest on the intercompany and related party loans and how they are classified (ie as non-financing or financing). The directors have assessed the market rate of interest on these loans to equate to 2.5% above base rate. This judgement has been made based on rates of similar transactions entered into by other group companies.

Corob Central Properties Limited

Notes to the financial statements For the year ended 31 December 2015

4. Analysis of turnover

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

	2015 £	2014 £
Rental Income	2,163,113	1,904,416
	<u>2,163,113</u>	<u>1,904,416</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Auditor's remuneration	10,650	9,400
	<u>10,650</u>	<u>9,400</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	40,000	30,000
Social security costs	-	3,105
	<u>40,000</u>	<u>33,105</u>

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

	2015 No.	2014 No.
Management	1	1
	<u>1</u>	<u>1</u>

7. Directors' remuneration

	2015 £	2014 £
Directors' remuneration	40,000	30,000
	<u>40,000</u>	<u>30,000</u>

8. Interest receivable

	2015 £	2014 £
Other interest receivable	10,030	633
	<u>10,030</u>	<u>633</u>

Corob Central Properties Limited

**Notes to the financial statements
For the year ended 31 December 2015**

9. Interest payable

	2015 £	2014 £
On loans from related undertakings	982,075	1,175,795
Other interest payable	23	-
	<u>982,098</u>	<u>1,175,795</u>

10. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	132,131	64,304
Adjustments in respect of previous periods	1,179	-
Total current tax	<u>133,310</u>	<u>64,304</u>
Deferred tax		
Origination and reversal of timing differences	571,156	540,983
Changes to tax rates	(281,748)	-
Total deferred tax	<u>289,408</u>	<u>540,983</u>
Taxation on profit on ordinary activities	<u>422,718</u>	<u>605,287</u>

Corob Central Properties Limited

Notes to the financial statements For the year ended 31 December 2015

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 -lower than) the standard rate of corporation tax in the UK of 20.25% (2014 -21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>4,301,465</u>	<u>3,306,086</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.49%)	871,047	710,478
Effects of:		
Income not taxable for tax purposes - fair value adjustment on property	(741,553)	(649,161)
Expenses not deductible for tax purposes	2,885	6,611
Chargeable gains	645,327	581,372
Adjustments to current tax charge in respect of previous periods	1,179	-
Changes in deferred tax rates	(355,883)	(40,601)
Other timing differences	(284)	(2,233)
Over provision of current tax charge	-	(1,179)
Total tax charge for the year	<u>422,718</u>	<u>605,287</u>

11. Fair value adjustment

	2015 £	2014 £
Investment property revaluation	<u>(3,662,608)</u>	<u>(3,020,320)</u>

Corob Central Properties Limited

Notes to the financial statements For the year ended 31 December 2015

12. Investment property

	Freehold investment property £
Valuation	
At 1 January 2015	54,018,086
Additions at cost	500
Surplus on revaluation	3,662,608
At 31 December 2015	57,681,194

The 2015 valuations were carried out by Mr. T. Shillinglaw, a member of the Royal Institution of Chartered Surveyors and a former employee of Corob Holdings Limited, a related company.

The historical cost value of the investment property is £36,799,242 (2014: £36,798,742).

13. Debtors

	2015 £	2014 £
Other debtors	161,282	202,342
Prepayments and accrued income	92,144	132,004
Corporation tax	59,180	19,696
	312,606	354,042

14. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	80,881	148,275

Corob Central Properties Limited

**Notes to the financial statements
For the year ended 31 December 2015**

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to related undertakings	34,273,290	34,968,039
Corporation tax	133,310	-
Social security and other taxes	163,516	127,453
Other creditors	508,689	597,190
	<u>35,078,805</u>	<u>35,692,682</u>

Amounts owed to related undertakings are repayable on demand. During 2015 and 2014 interest was charged on certain balances at a rate of 2.5% above the National Westminster Bank plc base rate.

16. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	161,282	202,342
	<u>161,282</u>	<u>202,342</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(34,781,979)	(35,565,229)
	<u>(34,781,979)</u>	<u>(35,565,229)</u>

Corob Central Properties Limited

**Notes to the financial statements
For the year ended 31 December 2015**

17. Deferred taxation

	Deferred tax £
At 1 January 2015	(2,846,829)
Charged to the profit or loss	(289,408)
At 31 December 2015	(3,136,237)

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Timing difference on property revaluation	(3,136,237)	(2,843,979)
Other timing differences	-	(2,850)
	(3,136,237)	(2,846,829)

18. Related party transactions

Charterhouse Square Finance Company Limited

Charterhouse Square Finance Company Limited (CSFCL) is a related party by virtue of Corob Consolidated Limited's 40% interest in Corob Central Properties Limited and ownership of CSFCL.

Commissions were payable to Charterhouse Square Finance Company Limited for the management and letting of properties held by Corob Central Properties Limited.

The balance due to Charterhouse Square Finance Company Limited and commissions payable during the year, were as follows:

	2015 £	2014 £
Commissions charged during the year	202,200	173,307
Commissions unpaid at balance sheet date	389,788	173,307

Corob Central Properties Limited

Notes to the financial statements For the year ended 31 December 2015

Corob Holdings Limited

The company has received a loan from a related undertaking, Corob Holdings Limited, which has a 40% participating interest in the company. Interest is payable at a rate equivalent to 2.5% above the National Westminster Bank plc base rate.

The balance due at the end of the year and the interest payable during the year, were as follows:

	2015 £	2014 £
Balance due	33,883,502	34,698,502
Interest payable	1,031,198	998,424

19. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,200 Ordinary shares shares of £1 each	1,200	1,200

20. Reserves

Revaluation reserve

Revaluation reserve represents the cumulative unrealised valuation movement on investment properties which is transferred from the profit and loss account.

Profit & loss account

Includes all current and prior period retained profit and losses.

21. Contingent liabilities

National Westminster Bank plc hold a charge against the company's freehold property in respect of a loan facility granted to Corob Holdings Limited. The balance outstanding on the loan at 31 December 2015 was £20,000,000 (2014: £20,000,000).

22. Ultimate parent undertaking and controlling party

The company does not have a parent undertaking or controlling party.

Corob Central Properties Limited

Notes to the financial statements For the year ended 31 December 2015

23. Transition to FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2014

	Note	£
Equity at 1 January 2014 under previous UK GAAP		15,582,230
1. Deferred tax adjustment		(2,302,137)
Equity shareholders funds at 1 January 2014 under FRS 102		13,280,093

Reconciliation of equity at 31 December 2014

	Note	£
Equity at 31 December 2014 under previous UK GAAP		18,809,762
1. Deferred tax adjustment		(2,843,121)
3. Lease incentives		14,251
Equity shareholders funds at 31 December 2014 under FRS 102		15,980,892

Reconciliation of profit and loss account for the year ended 31 December 2014

	£
Profit for the year under UK GAAP	207,212
1. Deferred tax adjustment	(540,984)
2. Reclassification of investment property revaluation	3,020,320
3. Lease incentives	14,251
Profit for the year ended 31 December 2014 under FRS 102	2,700,799

The following were changes in accounting policies arising from the transition to FRS 102:

1 Deferred tax

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Consequently deferred tax has been recognised on all fair value re-measurements, being the investment property.

2 Investment property

Under FRS 102, changes in the fair value of investment properties are recorded in the profit and loss account. Under previous UK GAAP these changes were recorded in the Statement of Total Recognised Gains and Losses.

3 Lease incentives

Under FRS 102, lease incentives are spread over the entire life of the lease. Under previous UK GAAP lease incentives were spread up to the break date in the lease.