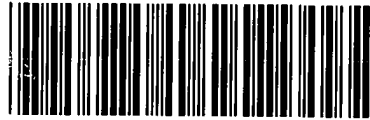


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Demure Limited

Directors Report & Accounts 2017

*For the Financial Period to 24 December 2017
Unaudited*

DIRECTORS

Peter L. Perrins, C.A. - Managing Director
George P. Carter, C.A. - Financial Director
Brian R. King
Christopher J. Barr
Dr Derek J. Douglas, C.A. – Non-Executive Director

SECRETARY

George P. Carter, C.A.

BANKERS

Lloyds Banking Group PLC
3-5 Albyn Place
Aberdeen
AB10 1PY

SOLICITORS

Morisons Solicitors
53 Bothwell Street
GLASGOW
G2 6TS

Shepherd & Wedderburn
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN

REGISTERED OFFICE

P.O. Box 21
23/25 Huntly Street
INVERNESS
IV1 1LA

Directors Report

The Directors have pleasure in submitting their Report to the shareholders, together with the Accounts for the Financial Year to 24 December 2017.

Principal Activity

The principal activity of the Company is as a property holding and development company.

Important Events Affecting the Company

For the year ended 24 December 2017, the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The Company applied IFRS in accordance with the mandated date of 1 January 2016. Effects of this transition on the Company's reported results have been disclosed in Note 2.3 to the financial statements.

Results and Dividends

The Company made a pre-tax profit of £661,869 (2016: £662,078).

A dividend of £550,000 (2016: £515,000) was paid during the period. The Directors do not recommend payment of any final dividend.

Directors

The Directors of the Company during the financial year to 24 December 2017 were:

Peter L. Perrins, C.A.
George P. Carter, C.A.
Brian R. King
Christopher J. Barr
Derek J. Douglas, C.A.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006. The Directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

23/25 Huntly Street,
Inverness
IV3 5PR

22 August 2018

ON BEHALF OF THE BOARD



G. P. CARTER C.A.
Director & Company Secretary

Statement of Directors' Responsibilities in Respect of the Accounts

For the financial year to 24 December 2017

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 International Financial Reporting Standards ("IFRS") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. 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:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent; and
- (c) prepare the accounts 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 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.

DeMure Limited

Statement of Comprehensive Income

As at 24 December 2017

	Note	2017 £	2016 £
REVENUE	3	667,162	665,324
Cost of Sales		-	-
GROSS PROFIT		667,162	665,324
Administration Expenses	4	(5,690)	(3,262)
OPERATING PROFIT	5	661,472	662,062
Finance Income	6	419	16
PROFIT BEFORE TAXATION		661,891	662,078
Income tax expense	7	(127,291)	(127,014)
PROFIT FOR THE YEAR		534,600	535,064
Total comprehensive income		534,600	535,064
RETAINED EARNINGS AT START OF THE YEAR		597,826	577,762
Dividends declared and paid during the year		(550,000)	(515,000)
RETAINED EARNINGS AT END OF THE YEAR		582,426	597,826

All the above results are derived from continuing operations.

There is no comprehensive income other than the profit for the year.

There were no recognised gains or losses for 2017 or 2016 other than those included in the Profit and Loss account.

The notes on pages 7 –24 form part of these accounts

DeMure Limited

Statement of Financial Position


As at 24 December 2017

	Note	2017	2016	As at 27 December 2015
		£	£	£
NON CURRENT ASSETS				
Investment Properties	8	7,760,000	7,760,000	7,760,000
CURRENT ASSETS				
Debtors and other receivables	9	7,263	7,305	7,607
Cash and cash equivalents		206,781	221,516	139,043
		<u>214,044</u>	<u>228,821</u>	<u>146,650</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Creditors and accruals	10	(140,480)	(142,453)	(80,139)
Deferred income	10	(121,237)	(119,399)	(115,723)
		<u>(47,673)</u>	<u>(33,031)</u>	<u>(49,212)</u>
NET CURRENT LIABILITIES		<u>(47,673)</u>	<u>(33,031)</u>	<u>(49,212)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,712,327</u>	<u>7,726,969</u>	<u>7,710,788</u>
CREDITORS: AMOUNTS FALLING DUE OUTWITH ONE YEAR				
	11	(25,000)	(25,000)	(25,000)
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred Taxation	12	(26,924)	(26,166)	(30,049)
NET ASSETS		<u>£7,660,403</u>	<u>£7,675,803</u>	<u>£7,655,739</u>
CAPITAL AND RESERVES				
Called Up Share capital	13	1,772	1,772	1,772
Share Premium Account	14	6,373,898	6,373,898	6,373,898
Capital Redemption Reserve	14	16	16	16
Revaluation Reserve	14	702,291	702,291	702,291
Profit and Loss Account	14	582,426	597,826	577,762
EQUITY SHAREHOLDERS' FUNDS		<u>£7,660,403</u>	<u>£7,675,803</u>	<u>£7,655,739</u>

Company Registration: SC267600

For the year ending 24 December 2017, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts were approved by the Directors on 22 August 2018 and signed on their behalf by


George P. Carter
Director

DeMure Limited

Statement of Changes in Equity

As at 24 December 2017

	Called Up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Revaluation Reserve £	Profit & Loss Account £	Shareholders' Equity £	Total Equity £
At 27 December 2015	1,772	6,373,898	16	702,291	577,762	7,655,739	7,655,739
Profit for the financial period					535,064	535,064	535,064
Dividends paid on ordinary share capital (Note 15)					(515,000)	(515,000)	(515,000)
At 25 December 2016	<u>1,772</u>	<u>6,373,898</u>	<u>16</u>	<u>702,291</u>	<u>597,826</u>	<u>7,675,803</u>	<u>7,675,803</u>
Profit for the financial period					534,600	534,600	534,600
Dividends paid on ordinary share capital (Note 15)					(550,000)	(550,000)	(550,000)
At 24 December 2017	<u>1,772</u>	<u>6,373,898</u>	<u>16</u>	<u>702,291</u>	<u>582,426</u>	<u>7,660,403</u>	<u>7,660,403</u>

The notes on pages 7 –24 form part of these accounts

DeMure Limited

Statement of Cash Flows

For the financial year to 24 December 2017

	Note	2017 £	2016 £
Profit before tax for the year		661,472	662,062
Adjustments for non-cash income and expenses:			
Depreciation and impairment of investment properties	8	-	-
Working capital adjustments:			
(Increase) / decrease in receivables		42	302
Increase / (decrease) in creditors		4,681	(1,743)
		666,195	660,621
Interest received		419	16
Income tax paid		(131,349)	(63,164)
Net cash flows from / (used in) operating activities		535,265	597,473
Financing activities:			
Dividends paid to shareholders		(550,000)	(515,000)
Net cash flows from / (used in) financing activities		(14,735)	82,473
Net increase / (decrease) in cash and cash equivalents		(14,735)	82,473
Cash and cash equivalents as at 26 December 2016		221,516	139,043
Cash and cash equivalents as at 24 December 2017		£206,781	£221,516

Company Registration: SC267600

The notes on pages 7-24 form part of these accounts

Notes to the Accounts

For the financial year to 24 December 2017

1. General Information

The financial statements of Demure Limited for the year ended 24 December 2017 were authorised for issue in accordance with a resolution of the Directors on 22 August 2018.

Demure Limited (the Company) is a private limited company incorporated in Scotland, United Kingdom. The Company is limited by shares, and the address of its registered office and principal place of business is P.O. Box 21, 23/25 Huntly Street, Inverness, Inverness-Shire, IV1 1LA. The Company is principally engaged in management of investment properties (see Note 8). Information related party relationships of the Company is provided in Note 16.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union as they apply to the financial statements of the Company for the year ended 24 December 2017 and applied in accordance with the Companies Act 2006.

For all periods up to and including the year ended 25 December 2016, the Company prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP). These financial statements for the year ended 24 December 2017 are the first the Company has prepared in accordance with IFRS. Refer to Note 2.3 for information on how the Company adopted IFRS.

The financial statements have been prepared on a historical cost basis except for the fair value remeasurement of investment properties as set out in the accounting policy note 2.2.1 below. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The financial statements are presented in Sterling and all values are rounded to the nearest pound (£), except when otherwise indicated.

Going concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the directors. The Company's business activities, and factors likely to affect future developments have been assessed by the directors, and based on assumptions of future activity, the Company is expected to continue to generate positive cash flows on its own account for the foreseeable future.

2.2 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

2.2.1 Fair value measurement

The Company measures financial instruments, such as accounts receivables, and non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

Accounting policy disclosures	Note 2.2.1
Disclosures for valuation methods, significant estimates and assumptions	Notes 2.4, and 8
Investment properties	Note 8

Notes to the Accounts

For the financial year to 24 December 2017

2. Significant Accounting Policies

2.2 Summary of Significant Accounting Policies (continued)

2.2.1 Fair value measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or,
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's directors determine the policies and procedures for both recurring fair value measurement, such as investment properties, and for non-recurring measurement.

At each reporting date, the directors analyse the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.2.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Notes to the Accounts

For the financial year to 24 December 2017

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

2.2.2 Revenue Recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Where such income has been invoiced in line with the contract terms but has not been earned as at the statement of financial position date, it is recognised as deferred income (Note 10). Such deferred income is then released to profit and loss systematically over the period the income is earned.

2.2.3 Investment properties

The Company's properties are held for long-term investment. Investment properties are accounted for in accordance with the IFRS as follows:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values were determined based on a valuation carried out on 25th December 2011 by an accredited external independent valuer and are re-assessed annually by a Directors valuation using a Yield on Contracted Income Method and an Average Market Yield verified by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.2.4 Leases

All investment properties held by the Company were the subject of commercial leases during the year, and all have been in existence since the introduction of IFRS.

All of the Companies leases retain substantially all the risks and benefits of ownership of the asset and are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.2.5 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand

Notes to the Accounts

For the financial year to 24 December 2017

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

2.2.6 Financial Instruments – Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Company's financial assets include accounts receivables.

Subsequent measurement

Loans and accounts receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii) Impairment of financial assets

The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Notes to the Accounts

For the financial year to 24 December 2017

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

2.2.6 Financial Instruments – Initial Recognition and Subsequent Measurement (continued)

iii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables net of directly attributable transaction costs.

The Company's financial liabilities include accounts payables and rental deposit

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.2.7 Taxes

Current income tax

Current income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the United Kingdom.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Provision for deferred tax liability is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the statement of financial position date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the statement of financial position date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised for:

Notes to the Accounts

For the financial year to 24 December 2017

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

2.2.7 Taxes (continued)

Deferred tax (continued)

- All deductible temporary differences
- The carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences. The carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

These financial statements, for the year ended 24 December 2017, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 25 December 2016, the Company prepared its financial statements in accordance with United Kingdom generally accepted accounting principle (UK GAAP).

The Company has prepared the financial statements which comply with IFRS applicable for periods beginning on or after 28 December 2015 and the significant accounting policies meeting those requirements are described in the summary of significant accounting policies.

In preparing the financial statements, the Company's opening statement of financial position was prepared as at 28 December 2015, the Company's date of transition to IFRS. Note 19 explains the principal adjustments made by the Company in restating its UK GAAP financial statements, including the statement of financial position as at 28 December 2015.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemptions:

- The Company has applied the transitional provision in IFRIC 4 - Determining whether an Arrangement Contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition.

Notes to the Accounts

For the financial year to 24 December 2017

2. Significant Accounting Policies (continued)

2.3 First-Time Adoption to IFRS (continued)

Exemptions applied (continued)

- Under UK GAAP, Investment properties were carried in the statement of financial on the basis of valuations performed on 25 December 2011. The Company has elected to regard those values as deemed cost at the date of transition to IFRS having confirmed that the valuations are comparable to fair value. For subsequent measurement of the properties, the Directors have made an assessment of the underlying business of the Company and believe that the cost model allowed under IAS 40 would provide more reliable and relevant information to the users of the financial statements. Accordingly, under IFRS the properties will be carried at cost less accumulated depreciation.

(a) New standards, amendments and interpretations issued and effective during the financial year beginning 1 January 2017

The Company has considered all new and amended IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the year ending 31 December 2017. Where the changes affect the Company, the relevant application and disclosure has been made during the year to 24 December 2017. The new and amended IFRSs during the year are as detailed below:

- Amendments to IAS 7: Disclosure Initiative had no effect with the exception of increased disclosure in relation to liabilities in the financing activities section of the Cashflow statement.
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses had no effect on the Company for the year ended 31 December 2017.

(b) Standards issued but not yet effective

The following standards and amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting period beginning on or after 1 January 2018 or later periods, but the Company had not early adopted them:

- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - amendments to IFRS 4 (1 January 2018)
- IFRS 16 Leases (1 January 2019)
- IFRS 9 Financial Instruments (1 January 2018)
- IFRS 15 Revenue from Contracts with Customers including amendments (1 January 2018)
- Transfers of Investment Property – Amendments- IAS 40

(b) Standards issued but not yet effective (continued)

The impact of the application of IFRS 15 has been considered by the Company. The standard is not expected to effect the Company as the Company's contracts will continue to be covered under IAS-17 Leases.

It is not anticipated that the application of the above standards and amendments will have any material impact on the Company's financial statements.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Notes to the Accounts

For the financial year to 24 December 2017

2. Significant Accounting Policies (continued)

2.4 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments — Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 8.

Notes to the Accounts

For the financial year to 24 December 2017

3. Revenue

Turnover represents rental income in respect of the Company's investment properties. All turnover arises from continuing operations in the UK.

	2017	2016
	£	£
Rental income	<u>£667,162</u>	<u>£665,324</u>

4. Administrative Expenses

	2017	2016
	£	£
Other administrative expenses	<u>£5,690</u>	<u>£3,262</u>

Average number of persons employed by the Company during the year were nil (2016: nil)

5. Operating Profit

The operating profit is stated after charging: -

	2017	2016
	£	£
Directors' remuneration	<u>£-</u>	<u>£-</u>

6. Finance Income

	2017	2016
	£	£
Interest Receivable & other similar income	<u>£419</u>	<u>£16</u>

Notes to the Accounts

For the financial year to 24 December 2017

7. Tax on Profit on Ordinary Activities

Analysis of charge in period

	2017 £	2016 £
Current Tax		
UK Corporation tax on profits of the period	126,533	131,327
Adjustment in respect of previous periods	-	(430)
	<u>126,529</u>	<u>130,897</u>
Deferred Tax		
Origination and reversal of timing differences	859	1,088
Adjustment in respect of previous periods	-	(3,132)
Effect of changes in tax rates	(101)	(1,839)
Tax on profit on ordinary activities	<u>£127,291</u>	<u>£127,014</u>

Factors affecting the tax charge for the period

The tax assessed on the profit on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below: -

	2017 £	2016 £
Profit on ordinary activities before tax	661,891	662,078
Profit on ordinary activities multiplied by the averaged standard rate of corporation tax of 19.25 % (2016: 20.00%)	127,391	132,416
Effects of:		
Expenses not deductible for tax purposes	1	-
Capital allowances for the period in excess of depreciation	-	(3,133)
Adjustment to tax charge in respect of previous periods	(101)	(2,269)
Current tax charge for period	<u>£127,291</u>	<u>£127,014</u>

Notes to the Accounts

For the financial year to 24 December 2017

8. Investment Properties

	Heritable Property
Valuation	
Opening Balance as at 27 December 2015	7,760,000
Additions	-
Net loss on fair value adjustment	-
As at 25 December 2016	7,760,000
Additions	-
Net loss on fair value adjustment	-
At 24 December 2017	£7,760,000

The Company's heritable properties are held for long term investment. The written down value is based on an external valuation dated 25 December 2011. The Directors made an assessment on 24th December 2017 and concluded that the revaluation was broadly comparable to the fair value at the date of external valuation. As such, the Company has elected to claim voluntary exemption offered under IFRS -1 for first time adoption of the framework, and as such has considered revaluation as the deemed cost of the properties as at the date of revaluation.

	2017	2016
Rental Income derived from investment properties	£667,162	£665,324
Profit arising from investment properties carried at fair value	£667,162	£665,324

An independent valuer has not performed a revaluation of the properties during the year. The Directors have reviewed the valuation performed at 25 December 2011 and believe it remains appropriate at the year end. The following table provides the fair value hierarchy disclosure for the Company's investments:

		Fair value measurement using			
Assets measured at fair value:	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment properties	24 December 2017	£7,760,000	-	-	£7,760,000
Investment properties	25 December 2016	£7,760,000	-	-	£7,760,000
Investment properties	27 December 2015	£7,760,000	-	-	£7,760,000

There were no transfers between the levels of fair value hierarchies during the year.

Reconciliation of fair value:	Investment properties
Opening balance as at 28 December 2015	7,760,000
Re-measurement recognised in profit and loss	-
Re-measurement recognised in other comprehensive income	-
Purchases	-
As at 26 December 2016	7,760,000
Re-measurement recognised in profit and loss	-
Re-measurement recognised in other comprehensive income	-
Purchases	-
Closing balance as at 24 December 2017	£7,760,000

Notes to the Accounts

For the financial year to 24 December 2017

8. Investment Properties (continued)

Description of valuation techniques used and key inputs to valuation of investment properties:

	Valuation technique	Significant observable inputs	2017	2016
Investment properties:	Yield on Contracted Income Method	Contracted annual rental value	£645,000	£645,000
2017		Average Market Yield	8.0%	8.0%
		Directors Valuation	£8,062,500	£8,062,500

Under the Yield on Contracted Income method, fair value is estimated using assumptions regarding the market yield for each property and the current contracted rental income.

The Directors consider the Average Market Yield shown above to be appropriate in valuing investment properties.

Valuation of the properties assessed by the Directors as at 24 December 2017 was considered broadly comparable to the fair values of the properties as assessed on 25 December 2011. As such, the fair value has been considered as deemed cost as at the date of transition to IFRS. Since this value was included in the GAAP accounts drawn up to December 2016, no adjustments have been made in respect of the same.

All expenses relate to properties generating rental income.

As at 24 December 2017, the Company had no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

9. Debtors and Other Receivables

	2017 £	2016 £	As at 28 December 2015 £
Trade Debtors	7,263	7,305	7,607
	<u>£7,263</u>	<u>£7,305</u>	<u>£7,607</u>

10. Creditors: Accounts Payable and Accruals

	2017 £	2016 £	As at 28 December 2015 £
Trade Creditors	63	105	2,437
Other creditors	8,700	8,565	8,552
Corporation tax	126,282	131,098	63,365
Accruals and deferred income	126,672	122,084	121,508
	<u>£261,717</u>	<u>£261,852</u>	<u>£195,862</u>

Notes to the Accounts

For the financial year to 24 December 2017

11. Creditors: Amounts Falling Due Out with One Year

	2017 £	2016 £	As at 28 December 2015 £
Rent Deposit	25,000	25,000	25,000
	<u>£25,000</u>	<u>£25,000</u>	<u>£25,000</u>

12. Deferred Taxation

	2017 £	2016 £	As at 28 December 2015 £
Balance at 25 December 2016	26,166	30,049	30,970
Provided in financial period	758	(2,044)	(9)
Adjustment in respect of prior years	-	(1,839)	(912)
Balance at 24 December 2017	<u>£26,924</u>	<u>£26,166</u>	<u>£30,049</u>

Deferred tax is provided in the accounts as follows:-

	2017 £	2016 £	As at 28 December 2015 £
Capital allowances in advance of depreciation	<u>£26,924</u>	<u>£26,166</u>	<u>£30,049</u>

No provision for deferred taxation has been made in relation to the valuation of land and buildings. If land and buildings were disposed of at the balance sheet amounts, it is estimated that the tax liability would be £nil (2016: £nil).

13. Share Capital

	2017 £	2016 £	As at 28 December 2015 £
Authorised:			
178,788 Ordinary Shares of 1p	<u>£1,788</u>	<u>£1,788</u>	<u>£1,788</u>
Allotted, Called Up & Fully Paid:			
177,197 Ordinary Shares of 1p	<u>£1,772</u>	<u>£1,772</u>	<u>£1,772</u>

Notes to the Accounts

For the financial year to 24 December 2017

14. Reserves

	Share Premium Account	Capital Redemption Reserve	Revaluation Reserve	Profit & Loss Account
At 25 December 2016	6,373,898	16	702,291	597,826
Profit for the financial period	-	-	-	534,600
Dividends Paid	-	-	-	(550,000)
At 24 December 2017	£6,373,898	£16	£702,291	£582,426

A dividend per share of £3.10 was paid in the year (2016: £2.91).

Nature and purpose of reserves

Profit and loss account

This reserve records the accumulated profits and losses net of any distributions

Capital Redemption Reserve:

This related to past purchases of Shares by the Company

Revaluation reserve

This reserve represents any increases in the fair value of Investment properties and decreases to the extent that such decrease relates to an increase on the same asset. On transition to IFRS, the carrying value of Investment properties were transferred at deemed cost.

15. Reconciliation of Movements in Shareholders' Funds

	2017 £	2016 £	As at 28 December 2015 £
Profit/(Loss) for the Financial Period	534,600	535,064	513,806
Dividend Paid	(550,000)	(515,000)	(486,000)
Opening shareholder's Funds	7,675,803	7,655,739	7,627,933
At 24 December 2017	£7,660,403	£7,675,803	£7,655,739

16. Related Party Transactions

The Company currently leases properties to companies within the Carlton Bingo Limited Group. The rentals for these properties have been determined by an independent valuer. The Company received rental income from Companies within the Carlton Bingo Limited Group of £593,365 (2016: £591,731) in the year in respect of these properties. The income is not secured, and is settled in cash by the related parties. There are no guarantees provided or received from the related parties with respect to the rental agreements. No amount was owing from the related parties at year end and no amount was written off as unrecoverable during the year. The Directors of DeMure Limited are also Directors and shareholders of Carlton Bingo Limited and Carlton Clubs Limited.

The total remuneration of directors and other members of key management in 2017 (including salaries and benefits) was £nil (2016: £nil). There were no other benefits applicable to the key management personnel during the year.

Notes to the Accounts

For the financial year to 24 December 2017

17. Commitments and Contingencies

Operating Lease Commitments – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have remaining terms of between 1 and 22 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total contingent rents recognised as income during the year is £nil (2016: £nil). Future minimum rentals receivable under non-cancellable operating leases are, as follows:

	2017 £	2016 £	As at 28 December 2015 £
Within one year	669,000	669,000	669,000
After one year but not more than five years	2,581,178	2,611,825	2,635,759
More than five years	9,285,088	9,921,608	10,564,841

18. Financial assets and liabilities

Financial Assets

	2017 £	2016 £	As at 28 December 2015 £
Financial assets at amortised cost:			
Receivables (Note 9)	£7,264	£7,305	£7,607

Loans and receivables are non-derivatives financial assets carried at amortised cost which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

Financial Liabilities

	2017 £	2016 £	As at 28 December 2015 £
Financial liabilities at amortised cost:			
Trade and other payables	261,717	261,852	195,862
Rental deposits	25,000	25,000	25,000

The management assessed that cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

18.1 Financial instruments risk management objectives and policies

The Company's principal financial liabilities, comprise deferred income, other payables, and deposits.

The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to credit risk and liquidity risks. The Company's Directors oversee the management of these risks. The Directors perform regular risk assessments to ensure the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite.

Notes to the Accounts

For the financial year to 24 December 2017

18. Financial assets and liabilities (continued)

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for Debtors) and from its financing activities, including deposits with banks and financial institutions.

The table below summarises the maturity profile of the Company's financial assets:

	Not due yet	Past due but not impaired				Total
		Due for less than 30 days	Due for 30 days – 60 days	Due for 60 days – 90 days	Due for more than 90 days	
	£	£	£	£	£	£
Receivables (Note 9):						
2017	64	7,200	-	-	-	7,264
2016	104	7,200	-	-	-	7,304

As at year end, total receivables assessed to be impaired amounted to **£nil** (2016: **£nil**)

Liquidity risk

The Company monitors its risk to a shortage of funds using a liquidity planning tool.

The Company aims to maintain sufficient cash surplus to meet short to medium term working capital requirements. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 – 5 years	> 5 years	Total
	£	£	£	£	£	£
Accounts Payable and Accruals (Note 10):						
2017	498	125,587	135,632	-	25,000	286,717
2016	540	123,731	137,581	-	25,000	286,852

18.1 Financial instruments risk management objectives and policies

Capital management

Capital includes equity attributable to the equity holders of the Company.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio under 20%. The Company includes within net debt, trade and other payables, less cash and cash deposits.

Notes to the Accounts

For the financial year to 24 December 2017

18. Financial assets and liabilities (continued)

18.1 Financial instruments risk management objectives and policies (continued)

Capital management (continued)

	2017 £	2016 £
Gearing ratio		
Trade and other payables	261,717	261,852
Rent Deposit	25,000	25,000
Less: cash and cash deposits	(206,781)	(221,516)
Net debt	£79,936	£65,336
Total Capital	£7,660,403	£7,675,803
Capital and net debt	£7,740,339	£7,741,139
Gearing ratio	1.0%	0.8%

The Company is not subject to externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 24 December 2017 and 25 December 2016.

Notes to the Accounts

For the financial year to 24 December 2017

19. First-time adoption of IFRS – Effect of Transition

In preparing the financial statements, the Company's opening statement of financial position was prepared as at 28 December 2015, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its UK GAAP financial statements, including the statement of financial position as at 28 December 2015.

19.1 Company reconciliation of equity as at 28 December 2015 (date of transition to IFRS)

	Note	UK GAAP £	Re-measurement £	IFRS as at 28 December 2015 £
NON CURRENT ASSETS				
Investment Properties	8	7,760,000	7,760,000	7,760,000
CURRENT ASSETS				
Debtors and other receivables	9	7,607	7,607	7,607
Cash and cash equivalents		139,043	139,043	139,043
		146,650	146,650	146,650
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Creditors and accruals	10	(80,139)	(80,139)	(80,139)
Deferred income	10	(115,723)	(115,723)	(115,723)
NET CURRENT LIABILITIES				
		(49,212)	(49,212)	(49,212)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		7,710,788	7,710,788	7,710,788
CREDITORS: AMOUNTS FALLING DUE OUTWITH ONE YEAR				
	11	(25,000)	(25,000)	(25,000)
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred Taxation	12	(30,049)	(30,049)	(30,049)
NET ASSETS				
		£7,655,739	£7,655,739	£7,655,739
CAPITAL AND RESERVES				
Called Up Share capital	13	1,772	1,772	1,772
Share Premium Account	14	6,373,898	6,373,898	6,373,898
Capital Redemption Reserve	14	16	16	16
Revaluation Reserve	14	702,291	702,291	702,291
Profit and Loss Account	14	577,762	577,762	577,762
EQUITY SHAREHOLDERS' FUNDS				
		£7,655,739	£7,655,739	£7,655,739

Company Registration: SC267600

DeMure Limited

Notes to the Accounts

For the financial year to 24 December 2017

19. First-time adoption of IFRS – Effect of Transition (continued)

19.2 Company reconciliation of equity as at 26 December 2016

	Note	UK GAAP £	Re-measurement £	IFRS as at 26 December 2016 £
NON CURRENT ASSETS				
Investment Properties	8	7,760,000	7,760,000	7,760,000
CURRENT ASSETS				
Debtors and other receivables	9	7,305	7,305	7,305
Cash and cash equivalents		221,516	221,516	221,516
		228,821	228,821	228,821
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Creditors and accruals	10	(142,453)	(142,453)	(142,453)
Deferred income	10	(119,399)	(119,399)	(119,399)
NET CURRENT LIABILITIES		(33,031)	(33,031)	(33,031)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,726,969	7,726,969	7,726,969
CREDITORS: AMOUNTS FALLING DUE OUTWITH ONE YEAR	11	(25,000)	(25,000)	(25,000)
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred Taxation	12	(26,166)	(26,166)	(26,166)
NET ASSETS		£7,675,803	£7,675,803	£7,675,803
CAPITAL AND RESERVES				
Called Up Share capital	13	1,772	1,772	1,772
Share Premium Account	14	6,373,898	6,373,898	6,373,898
Capital Redemption Reserve	14	16	16	16
Revaluation Reserve	14	702,291	702,291	702,291
Profit and Loss Account	14	597,826	597,826	597,826
EQUITY SHAREHOLDERS' FUNDS		£7,675,803	£7,675,803	£7,675,803

Company Registration: SC267600

Notes to the Accounts

For the financial year to 24 December 2017

19. First-time adoption of IFRS – Effect of Transition (continued)

19.2 Company reconciliation of total comprehensive income for the year ended 26 December 2016

	Note	UK GAAP £	Re- measurement £	IFRS for the year ended 26 December 2016
Revenue	3	665,324	665,324	665,324
Cost of Sales		-	-	-
GROSS PROFIT		665,324	665,324	665,324
Administration Expenses	4	(3,262)	(3,262)	(3,262)
OPERATING PROFIT	5	662,062	662,062	662,062
Finance Income	6	16	16	16
PROFIT BEFORE TAXATION		662,078	662,078	662,078
Income tax expense	7	(127,014)	(127,014)	(127,014)
PROFIT FOR THE YEAR		535,064	535,064	535,064
Other comprehensive income		-	-	-
Total comprehensive income		535,064	535,064	535,064
RETAINED EARNINGS AT START OF THE YEAR		577,762	577,762	577,762
Dividends declared and paid during the year		(515,000)	(515,000)	(515,000)
RETAINED EARNINGS AT END OF THE YEAR		£597,826	£597,826	£597,826