Specialist Inv Prop

Final Results for the year ended 31 December 2015

RNS Number : 1365U

Specialist Investment PropertiesPLC

05 April 2016

5 April 2016

Specialist Investment Properties plc

(the "Company" or "SIPP")

Final Results for the year ended 31 December 2015

Notice of AGM

Specialist Investment Properties plc is pleased to announce its final results for the year to 31 December 2015, highlights of which are set out below. The Company began to implement a new investment policy in 2016 and these results relate to a year in which the Company was seeking a new strategy and then preparing to implement it.

The Company also announces that its Annual General Meeting ("AGM") will be held at 10.00 a.m. on 18 May 2016 at its registered office, Burleigh Manor, Peel Road, Douglas, Isle of Man IM1 5EP.

The Company's final report and accounts and notice of AGM are available from the Company's website at http://specialistinvestmentproperties.com/ and will be posted to shareholders by 8 April 2016.

For further information:

Specialist Investment Properties plc

Derek Short / David Craine

+44 (0) 1624 626586

Allenby Capital Limited (Nomad and Broker to the Company)

Simon Clements / James Thomas

+44 (0) 20 7167 6433

## Directors' Report

The Directors present their annual report on the affairs of Specialist Investment Properties plc, ("the Company"), together with the Financial Statements and Auditor's Report for the year ended 31 December 2015.

### Principal Activity

The principal activity of the Company is now that of a property investment Company investing in purpose built homes for adults with learning difficulties requiring support from carers, together with purpose built care homes for the elderly and infirm and converted dwellings accommodating young adults/ late teens requiring extensive support from social services.

### Results of the Company

Revenue for the year is stated at £nil (2014: £nil). During the year ended 31 December 2015, shareholder bond interest and preference share dividend payments have not been recognised as they will not be received. See note 5 and note 11 for further details. After deducting administrative expenses, operating losses amounted to £0.2m (2014: £0.1m operating loss), resulting in a loss before tax of £0.2m (2014: £0.1m loss). No tax is payable for the year due to the zero income taxation provisions in the Isle of Man. Basic loss per share was 0.33p (2014: loss per share 0.29p).

The Company's net asset value per share ("NAV"), as at 31 December 2015 is 0.64p (2014: 0.97p).

Dividend

The Directors do not recommend a dividend for 2015 (2014: £nil).

Annual General Meeting

The Annual General Meeting will be held on 18 May 2016.

New Investing Policy and Events after the Balance Sheet Date

Much has happened during 2015 and since the start of 2016. On 16 September 2016 the Company adopted a new Investing Policy. On 25 February 2016, the Company completed a share capital reorganisation and a fund-raising to enable it to begin implementing this new investment policy.

The Investing Policy is for the Company to become an investment property company, acquiring and holding freehold properties (and, in rare cases, long lease-hold properties) in specialised sectors of the property market. The initial and primary focus is to make investments in purpose-built homes for adults with learning difficulties requiring support from carers (for example adults with autism), purpose-built care homes for the elderly and infirm and converted dwellings accommodating young adults/late teens requiring extensive support from social services. The Investing Policy for the Company will also allow it to invest in other specialist areas such as wedding and conference centres, other leisure facilities and, if sufficiently non-mainstream, residential or commercial property.

Through the fund-raising the Company raised proceeds of approximately £2.14 million which will be used, inter alia, to acquire properties in specialised care sectors, initially focussed on children's homes, and to provide further working capital for the Company.

The Company has now begun to implement this Investment Policy with the acquisition through a subsidiary of its first two properties for £507,000 with the Company funding £188,000 and the balance borrowed. It acquired two existing children's homes in Heywood and Bury, Greater Manchester, leased to a well-established children's home care operator, on a 25-year inflation linked FRI lease. It is also in discussions to purchase two more residential properties in Birmingham to be leased to the same operator.

The Company is also in discussions with developers, property owners and care operators in relation to further acquisition opportunities, both in the children's homes sector and supported living sector. Given the number of acquisition opportunities currently in negotiation, the Board expects the net proceeds of the fund-raising to be fully deployed within the timeframe of three to six months stated in its circular to shareholders. The initial average gross rental yield from the most advanced acquisition opportunities currently identified and in discussion is expected to exceed 8% per annum.

Going Concern

In light of the events as outlined in note 11 of the Company's financial statements, no future income and indeed no investment return from the UK Group of Hotels Plc is expected. In September 2015 the Shareholders approved a new investment policy and since that date the board has been implementing that policy (see note 14, for progress on that implementation).

Cash flow forecasts indicate that the Company will have sufficient resources to continue in the short to medium term, with the new investment policy, but an additional fund raising exercise would be necessary to further expand the investment into new properties.

The board would expect a positive outcome to a further fund raising and on that basis considers the Company to be a going concern and therefore continue to adopt the going concern basis of preparing the annual report and financial statements.

Prospects

The new investment policy is now being implemented.

Following the fund-raising in 2016 (see above and note 14) the Company is now investing in the specialised property market.

Company Statement of Comprehensive Income

For the year ended 31 December 2015

| | Notes | 2015<br>£'000 | 2014<br>£'000 |
|---|---|---|---|
| Continuing Operations | | | |
| Administrative expenses | | (168) | (144) |
| Operating loss | | (168) | (144) |
| Bank interest receivable | | 2 | 2 |
| Loss before taxation | | (166) | (142) |
| Taxation | 6 | - | - |
| Loss for the year and total comprehensive loss for the year | 5 | (166) | (142) |
| Loss per share | | | |
| Basic and diluted | 8 | (0.33p) | (0.29p) |

The accompanying notes are an integral part of these financial statements.

Company Statement of Financial Position

As at 31 December 2015

| | Notes | 2015 | | 2014 | |
|---|---|---|---|---|---|
| Assets | | | | | |
| | | £'000 | £'000 | £'000 | £'000 |
| Current Assets | | | | | |
| Trade and other receivables | 9 | 8 | | 8 | |
| Cash and cash equivalents | | 333 | | 501 | |
| | | | 341 | | 509 |
| Total Assets | | | 341 | | 509 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 10 | 23 | | 25 | |
| Total Liabilities | | | (23) | | (25) |
| Net Assets | | | 318 | | 484 |
| Equity | | | | | |
| Share capital | 12 | 2,491 | | 2,491 | |
| Share premium account | 12 | 11,015 | | 11,015 | |
| Retained losses | | (13,188) | | (13,022) | |
| Equity attributable to owners of the Company | | | 318 | | 484 |
| Shareholders' Equity | | | 318 | | 484 |
| Net Asset Value per share | | | 0.64p | | 0.97p |

(Based on number of shares in issue at year end)

## Company Statement of Changes in Equity

For the year ended 31 December 2015

| | Notes | Share Capital | Share Premium Account | Retained losses | Total |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| | | | £'000 | | |
| | | £'000 | | £'000 | |
| | | | | | £'000 |
| Balance at 1 January 2014 | | 2,491 | 11,015 | (12,880) | 626 |
| Total Comprehensive Loss for the year | | - | - | (142) | (142) |
| Dividends | 7 | - | - | - | - |
| Balance at 31 December 2014 | | 2,491 | 11,015 | (13,022) | 484 |
| Total Comprehensive Loss for the year | | - | - | (166) | (166) |
| Dividends | 7 | - | - | - | - |
| Balance at 31 December 2015 | | 2,491 | 11,015 | (13,188) | 318 |

The accompanying notes are an integral part of these financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2015

| | Notes | 2015 | 2014 |
|---|---|---|---|
| | | £'000 | £'000 |
| Net cash used in operating activities | 13 | (170 ) | (143) |
| Cash flows from investing activities | | | |

| | | |
|---|---|---|
| Interest received | 2 | 2 |
| Net cash generated by investing activities | 2 | 2 |
| Cash flows from financing activities | | |
| Dividends paid | - | - |
| Net cash used in financing activities | - | - |
| Net decrease in cash and cash equivalents | (168) | (141) |
| Cash and cash equivalents at beginning of year | 501 | 642 |
| Cash and cash equivalents at end of year | 333 | 501 |

The accompanying notes are an integral part of these financial statements.

Notes to the Company Financial Statements

## 1. General Information

Specialist Investment Properties plc is incorporated in the Isle of Man under the Companies Acts 1931 to 2004. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and is rounded to the nearest thousand pounds.

## 2. Adoption of new and revised Standards

In the current year, the following new and revised Standards and Interpretations have been adopted. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

i. IFRIC 21 Levies
ii. Annual improvements to IFRSs: 2010-2012 Cycle (Dec 2013)
iii. Annual improvements to IFRSs: 2011-2013 Cycle (July 2014)
iv. Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

i. Amendments to IFRS 10, IFRS 12 and IAS 28 - Investments Entities: Applying the Consolidation Exception
ii. Amendments to IAS 1 - Disclosure Initiative
iii. Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate of Joint Venture
iv. Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses
v. IFRS 9 - Financial Instruments
vi. Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants
vii. IFRS 15- Revenue from Contracts with Customers
viii. Amendments to IAS 7 - Disclosure Initiative
ix. IFRS 16 - Leases
x. Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation
xi. Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations

xii. IFRS 14 - Regulatory Deferral Accounts

xiii. Annual Improvements to IFRSs: 2012-14 Cycle (Sept 2014)

The directors do not expect that the adoption of these standards listed above will have a material impact on the financial statements of the Company in future periods, except for IFRS 9 - Financial instruments, which will impact both the measurement and disclosure of Financial Instruments, and IFRS 15 - Revenue from Contracts with Customers, which may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards, until a detailed review has been completed.

## 3. Significant accounting policies

### Basis of accounting

The Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and IASB. The financial statements have been prepared on the historical cost basis, except for the revaluation of the investment in the Company's subsidiary UK Group of Hotels. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

## Basis of Preparation

These separate financial statements are the only financial statements presented by the Company.

## Revenue recognition

Note 11 explains that the UK Group of Hotels plc and all of its subsidiary companies were placed into dissolution. The directors have considered the detailed recognition criteria in IAS 18 Revenue, as in particular, as to whether it is probable that economic benefits associated with transactions will flow to the Company, from interest on bonds and preference share dividends. Following consideration of the conditions, the Company has not recognised revenue due in the current period or any earlier period with effect from January 2012.

## Going Concern

In light of the events as audited in note 11, no future income and indeed no investment return from the UK Group of Hotels Plc is expected. In September 2015 the Company approved a new investment policy and since that date the board has been implementing that policy (see note 14, per progress on that implementation).

Cash flow forecasts indicate that the Company will have sufficient resources to continue in the short to medium term, until the new investment policy, but a further fund raising exercise would be necessary to further expand the investment into new properties.

The board would expect a positive outcome to the further fund raising and on that basis considers the Company to be a going concern and therefore continue to adopt the going concern basis of preparing the annual report and financial statements.

## Dividend and interest income recognition

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets of the Company are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

· it has been acquired principally for the purpose of selling in the near term; or

· on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

· such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

· the financial asset forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's document risk management or investment strategy, and information about the grouping is provided internally on that basis; or

· it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in note 11.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

4. Business and geographical segments

All bank interest is derived from the Isle of Man

5. Loss for the year

Loss for the year has been arrived at after charging:

| | 2015 | 2014 |
|---|---|---|
| | £'000 | £'000 |
| Audit fees payable for the audit of the Company's annual accounts | | |
| - Current year | 10 | 13 |
| - Prior year under provision | 9 | - |
| Impairment loss on trade receivables | - | - |
| | 19 | 13 |

6. Company Tax on loss on ordinary activities

A 0% rate of corporate income tax is applicable to the Company's income and therefore no provision for liability to Manx income tax has been included in these financial statements.

7. Dividends

The Directors do not recommend the payment of a dividend in respect of the year to 31 December 2015 (2014: £nil).

8. Loss per share

| | 2015 | 2014 |
|---|---|---|
| | £'000 | £'000 |
| Loss for the purposes of basic earnings per share being loss attributable to owners of the Company | (166) | (142) |
| Number of Shares | 2015 | 2014 |
| | No. | No. |
| Weighted average number and diluted ordinary shares for the purpose of basic loss per share | 49,819,050 | 49,819,050 |
| Loss per share | | |
| Basic and diluted | (0.33p) | (0.29p) |

9. Trade and Other Receivables

| | 2015 | 2014 |
|---|---|---|
| | £'000 | £'000 |
| Amounts falling due within | | |

| | | |
|---|---|---|
| one year | | |
| Prepayments and accrued income | 8 | 8 |
| | 8 | 8 |

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. All receivables are less than 180 days and are not past due or impaired.

## 10. Trade and Other Payables

| | 2015 | 2014 |
|---|---|---|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Accruals and deferred income | 23 | 25 |
| | 23 | 25 |

The directors consider the carrying value of Trade and Other Payables is approximately equal to their fair value.

## 11. Investments

Ordinary Shares, Preference Shares and Bonds held in UK Group of Hotels plc

The investment is carried at £Nil value which is also considered to be the fair value in accordance with IAS39, Financial Instruments Recognition and Measurement.

UK Group of Hotels plc, as previously reported went into administration on 4th August 2014.

In a report from the Administrators dated 27 January 2015 it was stated that there would be no return for ordinary shareholders, preference shareholders or debenture holders. The investment in all forms into UK Group of Hotels plc has no present or future value.

In a report dated 11 September 2015 the Administrators have advised that their term of office would cease after one year and expect a notice to move from administration to dissolution and three months thereafter the companies would be dissolved.

As the company is to be placed into dissolution and the administrators have advised there will be no return to shareholders the Directors have derecognised the company's investment in UK Group of Hotels plc in accordance with the accounting policy adopted by the company as described in note 3.

## 12. Share Capital

Authorised: Ordinary Shares of £0.05

| | Number | £'000 |
|---|---|---|
| As at 31 December 2015 | 80,000,000 | 4,000 |

Issued and fully paid: Ordinary Shares of £0.05

| | Number | £'000 |
|---|---|---|
| Balance at start of year | 49,819,050 | 2,491 |
| Issued during year | - | - |
| As at 31 December 2015 | 49,819,050 | 2,491 |

The Company had one class of ordinary shares which carry no right to fixed income. See note 14 for changes to share capital post Balance sheet.

Share Premium Account

On 29 June 2009 the Company issued 15,200,000 new ordinary shares of 5p each at a placing price of 80p resulting in 75p premium on each share, a total of £11,400,000 premium. Placing costs of £385,000 were deducted from the premium achieved resulting in a net share premium of £11,015,000. See note 14 for changes to Share Premium post-balance sheet.

The Share Premium account has been affected by the fund raising in 2016 - see note 14 for further details.

13. Notes to the Statement of Cash Flows

Reconciliation of operating loss to net cash generated by operating activities:

| | 2015 | 2014 |
|---|---|---|
| | £'000 | £'000 |
| Operating loss | (168) | (144) |
| Adjustments for: | | |
| Decrease/(increase) in Trade and other Receivables | - | 1 |
| (Decrease)/increase in Trade and other payables | (2) | - |
| Net cash used in operating | | |

| | | |
|---|---|---|
| activities | (170) | (143) |

14. Events after the Balance Sheet Date

On 15 January a Circular was sent to all shareholders proposing a Capital Restructuring together with a Placing and Open offer of 12,454,765 New Ordinary shares at 20 pence per share and the issue of up to 4,151,485 Warrants. At the same time the Company would change its name to Specialist Investment Properties plc to more properly reflect its business.

At an Extraordinary General Meeting held on 8 February 2016, resolutions were passed to:

a. Consolidate and sub-divide the Company's issued share capital

b. To sub-divide the Company's remaining unissued share capital

A special resolution was also passed to change the Company's name.

On 23 February 2016, the Company announced the conclusion of rounds 1 and 2 of the Open Offer. Valid acceptances for 713,142 Open Offer Shares had been received. A further 10,000,000 New Shares would be issued under the placing. Warrants totalling 3,571,035 will also be issued to open offer and placing shares.

Following admission for trading on the AIM on 25 February 2015, the Company's issued share capital will consist of 13,204,095 ordinary shares, all with voting rights, together with deferred 99p, shares with no voting rights.

The open offer and placement raised £2,142,628 from which approximately £130,700 of fund raising expenses will be deducted.

The Company has now started implementing its new investment policy and on 1st March announced it had acquired its first two properties.

The Company has incorporated three subsidiaries after the balance sheet date. Secta Limited is a Joint Venture vehicle which is owned 70%, with 30% owned by Mr Mark Dyson as outlined in the Circular to Shareholders.

In turn, Secta Ltd has its own 100% subsidiary, Secta Properties Limited which will acquire the properties subject to the joint venture agreement.

Finally the third subsidiary SIPP Holdings Limited is 100% owned by the company and will be used to acquire properties which are not subject to the Joint Venture.

All three subsidiary companies are registered in the Isle of Man.

## 15. Related Party Transaction

Immediate and Ultimate Controlling Party

In the opinion of the Directors there is no immediate and ultimate controlling party.

Key Management Compensation

The remuneration of the Directors of the Company, who are the key management personnel, is set out below:

| | Company | Company |
|---|---|---|
| | 2015 | 2014 |
| | £'000 | £'000 |
| Short-term employee benefits and directors fees | 38 | 41 |

| | | |
|---|---|---|
| Total | 38 | 41 |

David Craine was a Director of Peregrine Corporate Services Limited, (PCS), the Company which provides accountancy, administration and secretarial services to Specialist Investment Properties plc. Fees, including VAT, of £33,850 (2014: £33,676) were paid to PCS during the year. Mr Craine resigned as a director of PCS on 1 May 2015.

Derek Short's directors fees are paid to English and Continental Properties Limited.

David Craine's director's fees are paid to Burleigh Offshore Services Limited.

## 16. Financial Instruments

### Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern, this is achieved by maintaining sufficient liquid resources to meet ongoing liabilities as they fall due, including payment of dividends, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, share premium and retained losses. The Company does not have a target gearing ratio.

The Company is not subject to any externally imposed capital requirements. Equity includes all capital and reserves of the Company that are managed as capital.

### Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the basis for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

Categories of financial instruments

| | Company | Company |
|---|---|---|
| | 2015<br>£'000 | 2014<br>£'000 |
| Financial assets | | |
| Investment at fair value through profit and loss | - | - |
| Cash and cash equivalents | 333 | 501 |
| Loans and receivables | 8 | 8 |

The investment at fair value through profit and loss which includes the bonds and the preference shares is designated level three (2015: level three) financial assets and liabilities within the definitions of IFRS 13, Fair Value Measurement. As per note 11, the investment held by the Company has been valued at £nil as at 31 December 2015 (2014: £nil). Notes 3, and 11 detail the valuation techniques used by the Company in determining the fair value and note 11 details the reasons why the investment is valued at £nil. There have been no gains or losses recognised in the year, nor any purchases or disposals or transfer between levels in the fair value hierarchy.

At the end of the reporting year, there are no significant concentrations of credit risk for loans and receivables. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such loans and receivables.

Financial risk management objectives

The Board of Directors monitor and manage financial risks, relating to the operation of the Company, through periodic assessment of its exposure to them.  These risks include interest rate risk, credit risk, cash flow interest rate risk and liquidity risk.

Market risk

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured. The Company is not exposed to any financial risks arising from changes in foreign currency exchange rates or interest rates.

Foreign currency risk management

Company operations are based in the Isle of Man and all assets and liabilities are denominated in sterling. As a result the Company has no exposure to foreign currency risk.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Company Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Liquidity risk tables

The following table details the Company's expected maturity for its non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| | Weighted average effective interest rate | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | 5+ years | Total |
|---|---|---|---|---|---|---|---|
| | % | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 31 December 2015 | | | | | | | |
| Non-interest bearing | | - | - | - | - | - | - |
| Variable interest rate instruments | < 1% | 325 | - | - | - | - | 325 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 325 | - | - | - | - | |

| | Weighted average effective interest rate | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | 5+ years | Total |
|---|---|---|---|---|---|---|---|
| | % | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 31 December 2014 | | | | | | | |
| Non-interest bearing | | - | - | - | - | - | - |
| Variable interest rate instruments | 0.35 | 493 | - | - | - | - | 493 |
| | | 493 | - | - | - | - | 493 |

The amounts included above for variable interest rate instruments for non-derivative financial assets is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the reporting date.

The following table details the remaining contractual maturity for its non-derivative financial liabilities with agreed repayment dates. The table has been drawn up based on the discounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| | Weighted average effective interest rate | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | 5+ years | Total |
|---|---|---|---|---|---|---|---|
| | % | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 31 December 2015 | | | | | | | |
| Non-interest bearing | | - | 23 | - | - | - | 23 |
| Variable interest rate instruments | - | - | - | - | - | - | - |
| | | - | 23 | - | - | - | 23 |

| | Weighted average effective interest rate | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | 5+ years | Total |
|---|---|---|---|---|---|---|---|
| | % | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 31 December 2014 | | | | | | | |
| Non-interest bearing | | - | 25 | - | - | - | 25 |
| Variable interest rate instruments | | - | - | - | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| - | 25 | - | - | - | 25 |



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