

Accounting Policy

With effect from 1 January 2026, the company adopted the revised requirements of Section 20 Leases of FRS 102.

Under the revised standard, leases are recognised on the balance sheet as a right-of-use asset and a corresponding lease liability at the commencement date.

The lease liability is measured at the present value of remaining lease payments, discounted using the company's Incremental/Obtainable borrowing rate where the interest rate implicit in the lease cannot be readily determined (§20.49).

The right-of-use asset is initially measured at an amount equal to the lease liability, adjusted for prepaid or accrued lease payments (§35.10(x)).

Subsequently:

The lease liability is increased for interest and reduced by lease payments (§20.62–20.63).

The right-of-use asset is depreciated over the lease term.

Variable lease payments not dependent on an index or rate are recognised in profit or loss as incurred (§20.64).

Transition method and impact

The Company has not early adopted. The amendments are applied from 1 January 2026 (Reporting Start Date in input file).

On initial application, comparative information has not been restated and the cumulative effect of initially applying the revised Section 20 has been recognised as an adjustment to opening retained earnings at 1 January 2026. (§1.47)

For leases previously classified as operating leases, at 1 January 2026 the Company has recognised a lease liability measured at the present value of remaining lease payments discounted using its incremental/obtainable borrowing rate; and recognised a right-of-use asset equal to the lease liability, adjusted for prepaid or accrued lease payments recognised immediately before the date of initial application. (§1.51(a)–(b))

Extension and break options

Management have assessed that the extension option for lease no. X401 is reasonably likely to be exercised and this has been reflected in the calculations.

Management have assessed that the extension option for lease no. X402 is reasonably likely to be exercised and this has been reflected in the calculations.

Management have assessed that the extension option for lease no. X403 is reasonably likely to be exercised and this has been reflected in the calculations.

Property	Property (£)
COST	
Balance at 01 January 2026	£2,463,043.25
Additions	
Disposals	
Impairment	
Balance at 30 June 2027	£2,463,043.25
ACCUMULATED DEPRECIATION	
Balance at 01 January 2026	
Depreciation Charge for the Period	(£800,229.24)
Disposals	
Balance at 30 June 2027	(£800,229.24)
NET BOOK VALUE	
Balance at 30 June 2027	£1,662,814.01

RECOGNISED LEASES (On Balance Sheet)	Recognised Lease Expense (£)
Total Depreciation of ROU Assets	£800,229.24
Total Interest on Lease Liabilities	£168,256.76
TOTAL RECOGNISED LEASE EXPENSE	£968,486.00

Lease Liabilities Reconciliation	Lease Liabilities (£)
Balance at 01 January 2026	£2,424,709.91
Interest Accrued for the Period	£168,256.76
Lease Payments Made for the Period	(£924,843.73)
Balance at 30 June 2027	£1,668,122.94
Analysed as:	
Current Liabilities (Due Within 12 Months)	£555,870.52
Non-Current Liabilities (Due After 12 Months)	£1,112,252.43
Total Lease Liabilities	£1,668,122.95

Maturity of Lease Payments (Undiscounted)	Maturity of Lease Payments (£)
Within one year	£635,193.46
In year two	£644,949.27
In year three	£530,985.91
In year four	
Year five and thereafter	
Total Undiscounted Lease Payments	£1,811,128.64

Less: Imputed Interest	(£143,005.70)
Present Value of Lease Liabilities	£1,668,122.94
Reconciliation to Balance Sheet:	
Total Undiscounted Lease Payments	£1,811,128.64
Less: Imputed Interest	(£143,005.70)
Present Value – Lease Liability Balance Sheet	£1,668,122.94
Closing Lease Liability from Reconciliation Note (TABLE 2)	£1,668,122.94
Difference	-