

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2014
for
Cavendish and Gloucester Properties
Limited**

TUESDAY



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COMPANIES HOUSE

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for the Year Ended 31 December 2014**

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**Cavendish and Gloucester Properties
Limited**

**Company Information
for the Year Ended 31 December 2014**

DIRECTORS:

P L Murphy
M Slane

SECRETARY:

P Williams

REGISTERED OFFICE:

3rd Floor
Winston House
2 Dollis Park
London
N3 1HF

REGISTERED NUMBER:

01067607 (England and Wales)

AUDITORS:

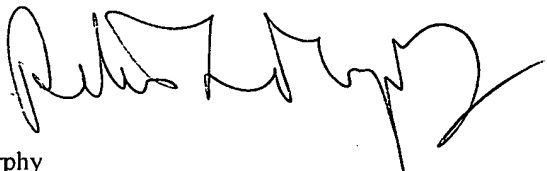
Elliotts Shah
Statutory Auditor
Chartered Accountants
Ground Floor
Bury House
31 Bury Street
London
EC3A 5AR

**Chairman's Report
for the Year Ended 31 December 2014**

I am pleased to follow my statement of last year with this year's to be able to announce that the profits are much improved and down to much hard work by several very important members of staff, for which I thank them.

We have suffered badly at the hands of Nationwide Building Society which retained c£2m from one of our sales forcing us to refinance thankfully with Nat West.

We have many projects on the go more than we have ever had and we are looking forward to bumper sales this year and even more increased profits at the end.

A handwritten signature in black ink, appearing to read 'P L Murphy', with a large, stylized flourish at the end.

P L Murphy

Date:

15 / 2 / 16

**Group Strategic Report
for the Year Ended 31 December 2014**

The directors present their strategic report of the company and the group for the year ended 31 December 2014.

REVIEW OF BUSINESS

The review of the group's activities during the year and its future prospects are as indicated in the Chairman's statement.

PRINCIPAL RISKS AND UNCERTAINTIES

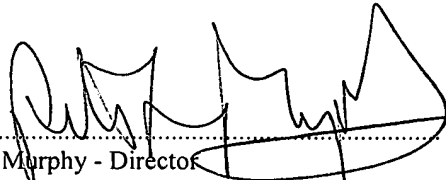
As with many businesses in our sector and of our size, the business environment in which the company operates continues to be challenging and influenced mainly by credit restrictions impacting on financing of our developments and on the ability of buyers to finance purchases of property.

KEY PERFORMANCE INDICATORS

	2014	2013
	£	£
Turnover	24,642,015	7,613,902
Profit / (loss) before tax	3,235,107	(19,095)
Profit / (loss) after tax before minority interest	2,499,364	(116,006)

The performance of the group during the year has been summarised in the Chairman's statement.

ON BEHALF OF THE BOARD:


.....
P L Murphy - Director

Date: 15/2/16

**Report of the Directors
for the Year Ended 31 December 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTORS

The directors during the year under review were:

P L Murphy
M Slane

The beneficial interests of the directors holding office on 31 December 2014 in the issued share capital of the company were as follows:

	31.12.14	1.1.14
Ordinary shares £1 shares		
P L Murphy	1,693,311	1,693,311
M Slane	14,104	14,104

In addition to the interests shown above, P L Murphy also has an indirect interest in the company by virtue of his beneficial interest in MFC Estates plc which is interested in 12.80% (2013: 12.80%) of the company's share capital, and by being a member of the KCG Pension Fund, together with his wife, being the only two members of that scheme, which is interested in a further 9.04% (2013: 9.04%) of the company's share capital.

In addition to the above, M Slane had a beneficial interest in the following group companies:

	Class of Share	31.12.14	1.1.14
M25 Holdings Limited	Ordinary shares	25%	25%

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In common with every other business, the company seeks to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance, and ensuring that adequate financial facilities are in place to meet the requirements of the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

**Report of the Directors
for the Year Ended 31 December 2014**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

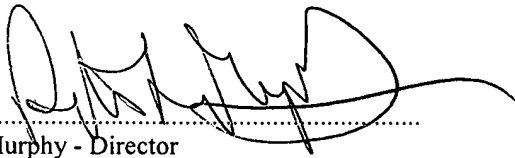
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Elliotts Shah, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
P L Murphy - Director

Date: 15/2/16

**Report of the Independent Auditors to the Members of
Cavendish and Gloucester Properties
Limited**

We have audited the financial statements of Cavendish and Gloucester Properties Limited for the year ended 31 December 2014 on pages eight to twenty six. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Cavendish and Gloucester 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Manoj Haria (Senior Statutory Auditor)
for and on behalf of Elliotts Shah
Statutory Auditor
Chartered Accountants
Ground Floor
Bury House
31 Bury Street
London
EC3A 5AR

Date:22/02/16.....

**Cavendish and Gloucester Properties
Limited (Registered number: 01067607)**

**Consolidated Profit and Loss Account
for the Year Ended 31 December 2014**

	Notes	2014 £	2013 £
TURNOVER	2	24,642,015	7,613,902
Cost of sales		(16,705,281)	(5,690,545)
Share of profits attributable to joint property project participants		(1,615,893)	48,905
(Loss) / profit from joint property projects managed by others		<u>(897)</u>	<u>6,623</u>
GROSS PROFIT		6,319,944	1,978,885
Property and selling costs		639,893	443,991
Administrative expenses		<u>1,582,795</u>	<u>1,481,454</u>
		(2,222,688)	(1,925,445)
		4,097,256	53,440
Other operating income		<u>637,991</u>	<u>702,532</u>
OPERATING PROFIT	4	4,735,247	755,972
Profit on sale of investment properties		<u>-</u>	<u>22,464</u>
		4,735,247	778,436
Interest receivable and similar income		<u>3,088</u>	<u>278</u>
		4,738,335	778,714
Interest payable and similar charges	5	<u>(1,503,228)</u>	<u>(797,809)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		3,235,107	(19,095)
Tax on profit/(loss) on ordinary activities	6	<u>(735,743)</u>	<u>(96,911)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		2,499,364	(116,006)
Minority interest - equity		<u>(768,284)</u>	<u>(28,815)</u>
RETAINED PROFIT/(DEFICIT) FOR THE GROUP CARRIED FORWARD		<u>1,731,080</u>	<u>(144,821)</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

**Cavendish and Gloucester Properties
Limited (Registered number: 01067607)**

**Consolidated Balance Sheet
31 December 2014**

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	9	33,954	36,259
Investment property	11	<u>1,731,390</u>	<u>1,743,390</u>
		1,765,344	1,779,649
CURRENT ASSETS			
Stocks	12	30,515,631	24,835,216
Debtors	13	13,288,206	10,572,289
Cash at bank and in hand		<u>3,376,362</u>	<u>1,340,769</u>
		47,180,199	36,748,274
CREDITORS			
Amounts falling due within one year	14	<u>30,584,237</u>	<u>16,414,843</u>
NET CURRENT ASSETS		<u>16,595,962</u>	<u>20,333,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,361,306	22,113,080
CREDITORS			
Amounts falling due after more than one year	15	(4,427,367)	(10,678,505)
MINORITY INTERESTS	17	<u>(733,066)</u>	<u>35,218</u>
NET ASSETS		<u><u>13,200,873</u></u>	<u><u>11,469,793</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	2,184,379	2,184,379
Share premium	19	831,495	831,495
Revaluation reserve	19	369,165	369,165
Capital reserves	19	489,227	489,227
Profit and loss account	19	<u>9,326,607</u>	<u>7,595,527</u>
SHAREHOLDERS' FUNDS	22	<u><u>13,200,873</u></u>	<u><u>11,469,793</u></u>

The financial statements were approved by the Board of Directors on its behalf by:

15th February 2016

and were signed on

P L Murphy - Director

The notes form part of these financial statements

**Cavendish and Gloucester Properties
Limited (Registered number: 01067607)**

**Company Balance Sheet
31 December 2014**

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		3,180		3,533
Investments	10		<u>4,472,116</u>		<u>4,472,116</u>
			4,475,296		4,475,649
CURRENT ASSETS					
Stocks	12	30,603,290		18,386,167	
Debtors	13	9,811,905		10,383,076	
Cash at bank and in hand		<u>2,877,522</u>		<u>1,183,700</u>	
		43,292,717		29,952,943	
CREDITORS					
Amounts falling due within one year	14	<u>38,243,946</u>		<u>22,973,896</u>	
NET CURRENT ASSETS			<u>5,048,771</u>		<u>6,979,047</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,524,067		11,454,696
CREDITORS					
Amounts falling due after more than one year	15		<u>3,703,367</u>		<u>5,082,009</u>
NET ASSETS			<u>5,820,700</u>		<u>6,372,687</u>
CAPITAL AND RESERVES					
Called up share capital	18		2,184,379		2,184,379
Share premium	19		831,495		831,495
Capital reserves	19		1,109		1,109
Profit and loss account	19		<u>2,803,717</u>		<u>3,355,704</u>
SHAREHOLDERS' FUNDS	22		<u>5,820,700</u>		<u>6,372,687</u>

The financial statements were approved by the Board of Directors on its behalf by:

15th February 2016

..... and were signed on

P L Murphy - Director

The notes form part of these financial statements

**Cavendish and Gloucester Properties
Limited (Registered number: 01067607)**

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2014**

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	1	344,176	(4,747,011)
Returns on investments and servicing of finance	2	(1,444,971)	(841,510)
Taxation		(124,544)	(72,815)
Capital expenditure and financial investment	2	<u>(9,174)</u>	<u>192,886</u>
		(1,234,513)	(5,468,450)
Financing	2	<u>3,270,106</u>	<u>5,164,404</u>
Increase/(decrease) in cash in the period		<u>2,035,593</u>	<u>(304,046)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		2,035,593	(304,046)
Cash inflow from increase in debt		<u>(3,270,106)</u>	<u>(5,164,404)</u>
Change in net debt resulting from cash flows		<u>(1,234,513)</u>	<u>(5,468,450)</u>
Movement in net debt in the period		<u>(1,234,513)</u>	<u>(5,468,450)</u>
Net debt at 1 January		<u>(17,234,111)</u>	<u>(11,765,661)</u>
Net debt at 31 December		<u>(18,468,624)</u>	<u>(17,234,111)</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2014**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM
OPERATING ACTIVITIES**

	2014	2013
	£	£
Operating profit	4,735,247	755,972
Depreciation charges	11,479	10,146
Increase in stocks	(5,668,415)	(3,434,659)
Increase in debtors	(2,715,917)	(1,815,994)
Increase/(decrease) in creditors	<u>3,981,782</u>	<u>(262,476)</u>
Net cash inflow/(outflow) from operating activities	<u><u>344,176</u></u>	<u><u>(4,747,011)</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	3,088	278
Interest paid	<u>(1,448,059)</u>	<u>(841,788)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(1,444,971)</u></u>	<u><u>(841,510)</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(9,174)	-
Purchase of investment properties	-	(7,683)
Sale of investment properties	<u>-</u>	<u>200,569</u>
Net cash (outflow)/inflow for capital expenditure and financial investment	<u><u>(9,174)</u></u>	<u><u>192,886</u></u>
Financing		
Short term loans drawn down	7,823,882	6,080,173
Short term loans repaid	(1,841,246)	(3,441,921)
Debt due after one year - loans repaid	(5,146,897)	(270,816)
Debt due after one year - new loans	<u>2,434,367</u>	<u>2,796,968</u>
Net cash inflow from financing	<u><u>3,270,106</u></u>	<u><u>5,164,404</u></u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.14 £	Cash flow £	Other non-cash changes £	At 31.12.14 £
Net cash:				
Cash at bank and in hand	<u>1,340,769</u>	<u>2,035,593</u>		<u>3,376,362</u>
	<u>1,340,769</u>	<u>2,035,593</u>		<u>3,376,362</u>
Debt:				
Debts falling due within one year	(7,896,375)	(5,982,636)	(3,538,608)	(17,417,619)
Debts falling due after one year	<u>(10,678,505)</u>	<u>2,712,530</u>	<u>3,538,608</u>	<u>(4,427,367)</u>
	<u>(18,574,880)</u>	<u>(3,270,106)</u>	-	<u>(21,844,986)</u>
Total	<u>(17,234,111)</u>	<u>(1,234,513)</u>	-	<u>(18,468,624)</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and are in accordance with applicable accounting standards.

Basis of consolidation

Subsidiaries

The consolidated financial statements include the accounts of the parent company and all its subsidiaries. Goodwill arising on consolidation and representing the excess of the fair value of the net assets acquired over purchase price is amortised over its estimated useful life of five years from the first full financial year after acquisition.

Joint property projects

The group is involved in various joint property project developments. The nature of most of these joint property projects is such that the group controls the day to day operations with a share of the profits or losses attributable to third party participants. Accordingly, the group has consolidated the results of those joint property projects under its control as if they were a normal part of its own trading. The share of profits or losses attributable to joint property participants has been shown separately before arriving at gross profit and the amounts invested by the joint property participants have been included under creditors due within one year.

The results for the joint property projects managed by others has been disclosed separately on the profit and loss account before arriving at gross profit and the amount invested in these joint property projects has been included under debtors.

Turnover

Turnover represents sales of properties held as trading stock, fees receivable from property management, rents receivable from investment properties and insurance commissions receivable, all excluding VAT.

Goodwill

Goodwill in connection with the acquisition of the minority interest in a subsidiary in 2008 has been amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- Straight line over 3 years

Investment property

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

No provision has been made for deferred tax on gains recognised on revaluing investment properties as the group does not intend to sell the revalued assets.

Pension costs and other post-retirement benefits

The group operates a defined benefit pension scheme in respect of one director and one employee and makes contributions to other directors' and employees' personal pension schemes.

Fixed asset investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

2. TURNOVER

The turnover and profit (2013 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2014	2013
	£	£
Sale of properties	24,373,605	7,331,400
Management fees	128,107	149,681
Insurance commissions received	46,752	32,797
Investment property rents	93,551	93,994
Lease extension fees	-	6,030
	<u>24,642,015</u>	<u>7,613,902</u>

3. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	442,483	485,498
Social security costs	52,021	54,575
Other pension costs	7,904	9,092
	<u>502,408</u>	<u>549,165</u>

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

	2014	2013
Sales and marketing	1	1
Office and management	<u>9</u>	<u>10</u>
	<u>10</u>	<u>11</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation - owned assets	11,479	10,146
Auditors' remuneration	22,253	22,460
Remuneration of auditors for non-audit work	<u>32,175</u>	<u>20,300</u>
Directors' remuneration	<u>8,526</u>	<u>-</u>
Other operating income includes:		
Rents receivable from trading properties	<u>574,291</u>	<u>650,094</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	1,387,372	725,775
Interest payable on overdue tax	91	965
Other interest payable	<u>115,765</u>	<u>71,069</u>
	<u>1,503,228</u>	<u>797,809</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	736,135	111,734
Adjustment for prior years	<u>(392)</u>	<u>(14,823)</u>
Tax on profit/(loss) on ordinary activities	<u>735,743</u>	<u>96,911</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	<u>3,235,107</u>	<u>(19,095)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	679,372	(4,392)
Effects of:		
Expenses not deductible for tax purposes	-	4,385
Depreciation in excess of capital allowances	-	1,572
Adjustments to tax charge in respect of previous periods	(392)	(14,823)
Other tax adjustments	56,763	83,260
Chargeable disposals	<u>-</u>	<u>26,909</u>
Current tax charge	<u>735,743</u>	<u>96,911</u>

Factors that may affect future tax charges

No provision has been made for taxation which might become payable if the group's investment properties were sold at the net amount stated in these financial statements; the additional tax liability could amount to approximately £68,000 (2013: £72,000).

The group has approximately £94,000 of tax losses (2013: approximately £94,000) at the balance sheet date which can be used against future trading profits.

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(551,987) (2013 - £(114,110)).

8. GOODWILL

Group

	Goodwill £
COST	
At 1 January 2014 and 31 December 2014	<u>163,745</u>
AMORTISATION	
At 1 January 2014 and 31 December 2014	<u>163,745</u>
NET BOOK VALUE	
At 31 December 2014	<u>-</u>
At 31 December 2013	<u>-</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

9. TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2014	116,282	44,475	16,371	177,128
Additions	<u>-</u>	<u>-</u>	<u>9,174</u>	<u>9,174</u>
At 31 December 2014	<u>116,282</u>	<u>44,475</u>	<u>25,545</u>	<u>186,302</u>
DEPRECIATION				
At 1 January 2014	103,467	22,743	14,659	140,869
Charge for year	<u>1,281</u>	<u>5,434</u>	<u>4,764</u>	<u>11,479</u>
At 31 December 2014	<u>104,748</u>	<u>28,177</u>	<u>19,423</u>	<u>152,348</u>
NET BOOK VALUE				
At 31 December 2014	<u>11,534</u>	<u>16,298</u>	<u>6,122</u>	<u>33,954</u>
At 31 December 2013	<u>12,815</u>	<u>21,732</u>	<u>1,712</u>	<u>36,259</u>
Company				Fixtures and fittings £
COST				
At 1 January 2014 and 31 December 2014				<u>55,573</u>
DEPRECIATION				
At 1 January 2014				52,040
Charge for year				<u>353</u>
At 31 December 2014				<u>52,393</u>
NET BOOK VALUE				
At 31 December 2014				<u>3,180</u>
At 31 December 2013				<u>3,533</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

10. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 January 2014 and 31 December 2014	<u>4,624,190</u>
PROVISIONS	
At 1 January 2014 and 31 December 2014	<u>152,074</u>
NET BOOK VALUE	
At 31 December 2014	<u>4,472,116</u>
At 31 December 2013	<u>4,472,116</u>

Cavendish and Gloucester Properties Limited holds the following direct and indirect interests in equity capital of the undertakings indicated below:

Name of company	Country of registration	Holdings	Proportion held
Trading companies			
Covemile Limited	England	Ordinary shares	90%
Gardenstate Properties Limited	England	Ordinary shares	75%
Halterstone Limited	England	Ordinary shares	100%
Happy Homes M25 Limited	England	Ordinary shares	100%
M25 Investments Limited (previously investment)	England	Ordinary shares	75%
Roundpoll Limited (with some investment activity)	England	Ordinary shares	100%
Roundpoll Insurance Services Limited	England	Ordinary shares	100%
Wadestock Limited	England	Ordinary shares	100%
Investment or holding companies			
Dawnstar Properties Limited	England	Ordinary shares	100%
Invicta Holdings Limited	England	Ordinary shares	100%
M25 Holdings Limited	England	Ordinary shares	75%
M25 Estates Limited	England	Ordinary shares	100%
Dormant or nominee companies			
Canaryridge Limited	England	Ordinary shares	100%
C&G Properties Limited	England	Ordinary shares	100%
Condo Properties Limited	England	Ordinary shares	100%
Desarex Properties Limited	England	Ordinary shares	100%
Knightspur Properties Limited	England	Ordinary shares	100%
Knightspur Homes Limited	England	Ordinary share	100%
Alnor Properties Limited	England	Ordinary shares	100%
Totteridge Common Limited	England	Ordinary shares	100%

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

11. INVESTMENT PROPERTY

Group	Total £
COST OR VALUATION	
At 1 January 2014	1,743,390
Appropriation to stock	<u>(12,000)</u>
At 31 December 2014	<u>1,731,390</u>
NET BOOK VALUE	
At 31 December 2014	<u>1,731,390</u>
At 31 December 2013	<u>1,743,390</u>

The investment properties have been stated at directors' valuation. The historical cost of the investment properties is £1,362,225 (2013: £1,374,225).

12. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Stock of properties	<u>30,515,631</u>	<u>24,835,216</u>	<u>30,603,290</u>	<u>18,386,167</u>

13. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	17,851	216,672	12,868	100,458
Amounts owed by group undertakings	-	-	15,562	1,547,472
Other debtors	3,250,905	8,067,476	1,192,366	6,616,881
Amounts invested in joint property developments	1,448,432	1,665,667	1,448,432	1,665,667
Directors' current accounts	2,261	2,261	-	-
VAT	83,511	77,745	117,713	124,423
Prepayments and accrued income	<u>304,066</u>	<u>542,468</u>	<u>250,728</u>	<u>328,175</u>
	<u>5,107,026</u>	<u>10,572,289</u>	<u>3,037,669</u>	<u>10,383,076</u>
Amounts falling due after more than one year:				
Other debtors	<u>8,181,180</u>	<u>-</u>	<u>6,774,236</u>	<u>-</u>
Aggregate amounts	<u>13,288,206</u>	<u>10,572,289</u>	<u>9,811,905</u>	<u>10,383,076</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 16)	16,571,619	7,473,375	15,987,069	7,308,234
Other loans (see note 16)	846,000	423,000	846,000	423,000
Trade creditors	692,108	481,388	638,725	470,381
Amounts owed to group undertakings	-	-	10,738,109	8,025,531
Corporation tax	938,193	326,994	37,324	19,674
Social security and other taxes	5,409	27,173	-	23,744
Other creditors	920,993	468,674	866,819	422,943
Amounts owed to joint property participants	8,825,088	5,091,932	8,190,568	4,637,443
Amounts due to landlords	44,680	44,680	-	-
Directors' current accounts	581,839	1,321,845	581,839	1,321,845
Accruals and deferred income	1,158,308	755,782	357,493	321,101
	<u>30,584,237</u>	<u>16,414,843</u>	<u>38,243,946</u>	<u>22,973,896</u>

The bank loans and overdrafts are secured by way of legal mortgages over land and buildings owned by the group. The other loans are secured over land and buildings owned by related entities.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 16)	3,158,367	8,986,505	2,434,367	3,390,009
Other loans (see note 16)	1,269,000	1,692,000	1,269,000	1,692,000
	<u>4,427,367</u>	<u>10,678,505</u>	<u>3,703,367</u>	<u>5,082,009</u>

The bank loans are secured by way of legal mortgages over land and building owned by the group. The other loans are secured on land and buildings owned by related entities.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	16,571,619	7,473,375	15,987,069	7,308,234
Other loans	<u>846,000</u>	<u>423,000</u>	<u>846,000</u>	<u>423,000</u>
	<u>17,417,619</u>	<u>7,896,375</u>	<u>16,833,069</u>	<u>7,731,234</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	2,970,867	8,262,505	2,246,867	3,390,009
Other loans - 1-2 years	<u>423,000</u>	<u>423,000</u>	<u>423,000</u>	<u>423,000</u>
	<u>3,393,867</u>	<u>8,685,505</u>	<u>2,669,867</u>	<u>3,813,009</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	187,500	724,000	187,500	-
Other loans - 2-5 years	<u>846,000</u>	<u>1,269,000</u>	<u>846,000</u>	<u>1,269,000</u>
	<u>1,033,500</u>	<u>1,993,000</u>	<u>1,033,500</u>	<u>1,269,000</u>

17. MINORITY INTERESTS

	£
At 1 January 2014	(35,218)
Movement in the year	<u>768,284</u>
At 31 December 2014	<u>733,066</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
		£	£
2,184,379	Ordinary shares	<u>£1</u>	<u>2,184,379</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

19. RESERVES

Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Capital reserves £	Totals £
At 1 January 2014	7,595,527	831,495	369,165	489,227	9,285,414
Profit for the year	<u>1,731,080</u>				<u>1,731,080</u>
At 31 December 2014	<u>9,326,607</u>	<u>831,495</u>	<u>369,165</u>	<u>489,227</u>	<u>11,016,494</u>

Company

	Profit and loss account £	Share premium £	Capital reserves £	Totals £
At 1 January 2014	3,355,704	831,495	1,109	4,188,308
Deficit for the year	<u>(551,987)</u>			<u>(551,987)</u>
At 31 December 2014	<u>2,803,717</u>	<u>831,495</u>	<u>1,109</u>	<u>3,636,321</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

20. RELATED PARTY DISCLOSURES

a) Joint property participants' share of profits includes profits / (losses) attributable to the following related parties:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Reachdrum Limited	32,160	(40,423)	32,160	(40,423)
Revelprime Limited	205,634	117,964	205,634	117,964
Mountheed Limited	81,866	124,116	81,866	124,116
P L Murphy	30,979	(19,829)	30,979	(19,829)
P Murphy Children's Trust	<u>28,124</u>	<u>(70,578)</u>	<u>28,124</u>	<u>(70,578)</u>

Profits / (losses) from joint property projects managed by related parties were:

Reachdrum Limited	(1,204)	8,438	((1,204)	8,438
Plaint Limited	<u>307</u>	<u>(1,815)</u>	<u>307</u>	<u>(1,815)</u>

Amounts owed by / (due to) related party joint property participants were:

Reachdrum Limited in respect of joint property projects managed by Reachdrum Limited	11,200	12,404	11,200	12,404
Reachdrum Limited in respect of joint property projects managed by the Cavendish and Gloucester Properties Limited group	(711,833)	(494,854)	(711,833)	(494,854)
Plaint Limited	1,433,837	1,413,530	1,433,837	1,413,530
Revelprime Limited	(205,634)	(202,062)	(205,634)	(202,062)
Mountheed Limited	(638,517)	(815,005)	(638,517)	(815,005)
P L Murphy	(95,462)	(64,483)	(95,462)	(64,483)
P Murphy Children's Trust	<u>1,127,535</u>	<u>(518,292)</u>	<u>1,127,535</u>	<u>(518,292)</u>

In addition to the above, other debtors and other creditors include the following related party balances due from / (to):

Due to Delaway Limited	(12,806)	(12,806)	(12,806)	(12,806)
Due from MFC Estates plc	8,181,180	8,004,446	6,774,236	6,597,502
Due (to) / from Enterprise Properties Limited	1,101,831	(142,105)	1,101,831	(142,105)
Due to P Murphy Children's Trust	(40,000)	(200,000)	(40,000)	(200,000)
Due from Bourne End (Investments) Limited	72,000	-	72,000	-
Due to M 25 Group Limited	(595,854)	-	(595,854)	-
Due to Anglo-European Developments GB Limited	(100,000)	-	(100,000)	-
Due from Pressmile Limited	<u>1,974,557</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

- (i) Reachdrum Limited is under the control of the director, M Slane, by virtue of his beneficial interest in that company.
 - (ii) Revelprime Limited and Mountheed Limited are wholly owned subsidiaries of M 25 Group Limited, a company in which P Murphy is a director and registered shareholder as trustee for the P Murphy Children's Trust.
 - (iii) At the balance sheet date, Enterprise Properties Limited was wholly owned by P Murphy. Bourne End (Investments) Limited is a wholly owned subsidiary of Enterprise Properties Limited.
 - (iv) Both Pressmile Limited and Anglo-European Developments GB Limited are wholly owned subsidiaries of MFC Estates plc. The balance due from Pressmile Limited arose as a result of an excess repayment taken by the lender on the sale of one of the group's properties against borrowings in the name of Pressmile Limited. MFC Estates plc, which is under the control of P Murphy, is interested in 12.80% (2013: 12.80%) of the issued share capital of Cavendish and Gloucester Properties Limited.
 - (v) Other operating income includes £50,000 (2013: £50,000) in respect of management fees charged to M 25 Group Limited.
 - (vi) Turnover includes management fees receivable of £100,320 (2013: £111,207) chargeable to Drivers & Norris Limited, a company under the control of P Murphy. Turnover also includes £nil (2013: £5,000) in respect of management fees charged to Anglo-European Developments GB Limited. Cost of sales include £100,367 (2013: £99,207) of consultancy fees rendered by third parties in respect of work done on behalf of Drivers & Norris Limited. Cost of sales also includes £332,432 (2013: £nil) in respect of a share of management fees payable to MFC Estates plc.
 - (vii) Delaway Limited is under the control of P Murphy and M Slane who each have a 50% interest in that company.
- b) Administrative expenses includes rent of £251,083 (2013: £175,000) payable to P Murphy for the use of a property owned by him. Also included under administrative expenses is a sum of £21,996 (2013: £21,996) in respect of rents payable to Reedrent Limited, and £60,000 (2013: £60,000) in respect of rents payable on a property owned by a joint property project in which MFC Estates plc is the major participant. Reedrent Limited is a wholly owned subsidiary of MFC Estates plc.
- c) Property expenses include property management fees of £42,645 (2013: £49,877) payable to MFC Estates plc.
- d) The directors' current accounts of £581,839 (2013: £1,321,845) shown under creditors for both the company and the group is due entirely to P Murphy. The directors' current accounts of £2,261 (2013: £2,261) shown under debtors for the group is due from M Slane. No interest has been charged on these sums.
- e) Other loans of £2,115,000 (2013: £2,115,000) represent amounts borrowed from The KCG Pension Fund, a self administered pension scheme of which P Murphy is a trustee and member. The loans are repayable in equal annual instalments over five years and interest is charged at 2% above the bank base rate. The loans are secured on properties owned by MFC Estates plc group and the P Murphy Children's Trust. Interest payable for the year was £52,876 (2013: £52,876).

21. ULTIMATE CONTROLLING PARTY

The group is under the control of the director, P Murphy, by virtue of his beneficial interest in the issued share capital of the parent company.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2014**

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014 £	2013 £
Profit/(loss) for the financial year	<u>1,731,080</u>	<u>(144,821)</u>
Net addition/(reduction) to shareholders' funds	1,731,080	(144,821)
Opening shareholders' funds	<u>11,469,793</u>	<u>11,614,614</u>
Closing shareholders' funds	<u><u>13,200,873</u></u>	<u><u>11,469,793</u></u>

Company

	2014 £	2013 £
Loss for the financial year	<u>(551,987)</u>	<u>(114,110)</u>
Net reduction of shareholders' funds	(551,987)	(114,110)
Opening shareholders' funds	<u>6,372,687</u>	<u>6,486,797</u>
Closing shareholders' funds	<u><u>5,820,700</u></u>	<u><u>6,372,687</u></u>