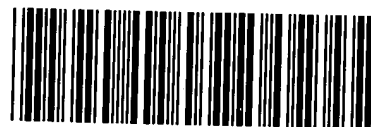


REGISTERED NUMBER: 01067607 (England and Wales)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2015
for
Cavendish & Gloucester Properties
Limited**

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**Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2015**

	Page
Company Information	1
Chairman's Report	2
Group Strategic Report	3
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Cash Flow Statement	13
Notes to the Consolidated Cash Flow Statement	14
Notes to the Consolidated Financial Statements	15
Reconciliation of Equity	27
Reconciliation of Profit	29

**Cavendish & Gloucester Properties
Limited**

**Company Information
for the Year Ended 31 December 2015**

DIRECTORS:

P L Murphy
M Slane

SECRETARY:

P Williams

REGISTERED OFFICE:

1st Floor
Winston House
2 Dollis Park
London
N3 1HF

REGISTERED NUMBER:

01067607 (England and Wales)

AUDITORS:

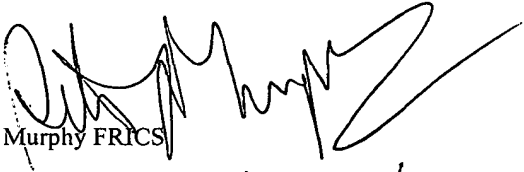
Elliotts Shah
Statutory Auditor
Chartered Accountants
Ground Floor, Bury House
31 Bury Street
London
EC3A 5AR

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

**Chairman's Report
For the Year Ended 31 December 2015**

Sales of last year have exceeded expectations mainly due to the fact of the permitted developments that we have been carrying out in which proved very popular with younger buyers and landlords. A satisfactory level of profit was obtained before tax. Sites currently under development should produce similar profit for the next year but we are hamstrung by the effects of stamp duty on the higher price properties where properties which we expect to sell, one a month, are selling at one every three months or even worse. Clearly the old Chancellor Mr Osborne had no idea of the effect of the measures he took on the rest of the market such was his desire to cane the very rich coupled with his attack on landlords the natural bed rock of the Tory party.

For a Conservative Chancellor he has introduced another factor into the market place that has stood the test of many decades i.e. a reasonable level of stamp duty and support for landlords and to increase the amount of property held by the small landlords but notwithstanding this we are very happy to produce these figures and to thank our Banks particularly the Nat West who are enlightened enough to allow us to recover some of our investments on every sale unlike the rest of the market who insist in getting every penny back before they will allow landlords any money whatsoever.


P L Murphy FRICS

Date:

31 October 2016

**Group Strategic Report
for the Year Ended 31 December 2015**

The directors present their strategic report of the company and the group for the year ended 31 December 2015.

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

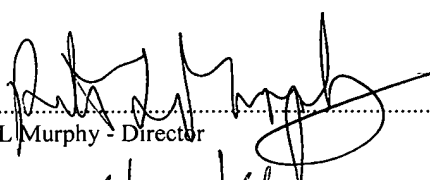
As with many businesses in our sector and of our size, the business environment in which the company operates continues to be challenging and influenced mainly by credit restrictions impacting on financing of our developments and on the ability of buyers to finance purchases of property.

KEY PERFORMANCE INDICATORS

	2015	2014
	£	£
Turnover	20,320,948	24,642,015
Profit before tax	2,430,934	3,235,107
Profit after tax before minority interest	1,996,892	2,503,364

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: 21/10/16
.....

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

**Report of the Directors
for the Year Ended 31 December 2015**

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

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review continued to be property development, dealing and investment and the provision of management services.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

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 2015 in the issued share capital of the company were as follows:

	31.12.15	1.1.15
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% (2014: 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% (2014: 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	31.12.15	1.1.15
M25 Holdings Limited	Ordinary shares	0%	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.

**Report of the Directors
for the Year Ended 31 December 2015**

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.

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.

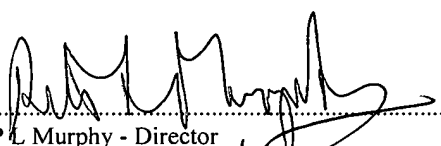
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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: 31/10/16
.....

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

We have audited the financial statements of Cavendish & Gloucester Properties Limited for the year ended 31 December 2015 on pages eight to twenty nine. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 page 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 2015 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 & 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: 07/11/2016

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

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2015**

	Notes	2015 £	2014 £
TURNOVER	2	20,320,948	24,642,015
Cost of sales		(14,089,431)	(16,705,281)
Share of profits attributable to joint property project participants		(1,322,475)	(1,615,893)
Loss from joint property projects managed by others		<u>(406)</u>	<u>(897)</u>
GROSS PROFIT		4,908,636	6,319,944
Property and selling costs		787,562	639,893
Administrative expenses		<u>2,324,235</u>	<u>1,582,795</u>
		<u>(3,111,797)</u>	<u>(2,222,688)</u>
		1,796,839	4,097,256
Other operating income		<u>1,786,779</u>	<u>637,991</u>
OPERATING PROFIT	4	3,583,618	4,735,247
Profit on sale of investment properties		<u>289,220</u>	<u>-</u>
		3,872,838	4,735,247
Interest receivable and similar income		<u>90,104</u>	<u>3,088</u>
		3,962,942	4,738,335
Interest payable and similar charges	5	<u>(1,532,008)</u>	<u>(1,503,228)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,430,934	3,235,107
Tax on profit on ordinary activities	6	<u>(434,042)</u>	<u>(731,743)</u>
PROFIT FOR THE FINANCIAL YEAR		1,996,892	2,503,364
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,996,892</u>	<u>2,503,364</u>
Profit and total comprehensive income attributable to:			
Owners of the parent		1,996,855	1,735,080
Minority interests		<u>37</u>	<u>768,284</u>
		<u>1,996,892</u>	<u>2,503,364</u>

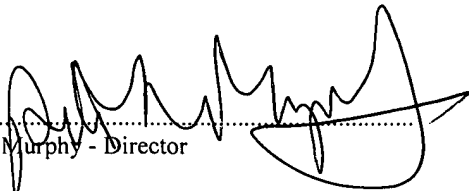
The notes form part of these financial statements

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

**Consolidated Balance Sheet
31 December 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	47,279	33,954
Investment property	11	<u>3,251,700</u>	<u>1,731,390</u>
		3,298,979	1,765,344
CURRENT ASSETS			
Stocks	12	35,139,651	30,515,631
Debtors	13	17,551,392	13,288,206
Cash at bank and in hand		<u>3,256,222</u>	<u>3,376,362</u>
		55,947,265	47,180,199
CREDITORS			
Amounts falling due within one year	14	<u>41,091,182</u>	<u>30,584,237</u>
NET CURRENT ASSETS		<u>14,856,083</u>	<u>16,595,962</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,155,062	18,361,306
CREDITORS			
Amounts falling due after more than one year	15	(2,641,127)	(4,427,367)
PROVISIONS FOR LIABILITIES	17	(356,000)	(68,000)
MINORITY INTERESTS	18	<u>(28,207)</u>	<u>(733,066)</u>
NET ASSETS		<u>15,129,728</u>	<u>13,132,873</u>
CAPITAL AND RESERVES			
Called up share capital	19	2,184,379	2,184,379
Share premium	20	831,495	831,495
Capital reserves	20	489,227	489,227
Retained earnings	20	<u>11,624,627</u>	<u>9,627,772</u>
SHAREHOLDERS' FUNDS		<u>15,129,728</u>	<u>13,132,873</u>

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


P L Murphy - Director

30/10/16

..... and were signed on

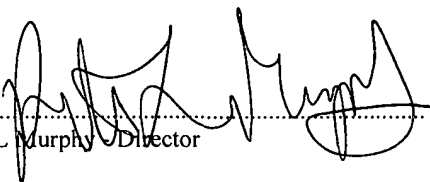
The notes form part of these financial statements

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

**Company Balance Sheet
31 December 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	9	2,862	3,180
Investments	10	<u>5,177,012</u>	<u>4,472,116</u>
		5,179,874	4,475,296
CURRENT ASSETS			
Stocks	12	35,096,683	30,603,290
Debtors	13	15,406,145	9,811,905
Cash at bank and in hand		<u>3,038,013</u>	<u>2,877,522</u>
		53,540,841	43,292,717
CREDITORS			
Amounts falling due within one year	14	<u>50,507,628</u>	<u>38,243,946</u>
NET CURRENT ASSETS		<u>3,033,213</u>	<u>5,048,771</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,213,087	9,524,067
CREDITORS			
Amounts falling due after more than one year	15	<u>(2,641,127)</u>	<u>(3,703,367)</u>
NET ASSETS		<u><u>5,571,960</u></u>	<u><u>5,820,700</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	2,184,379	2,184,379
Share premium	20	831,495	831,495
Capital reserves	20	1,109	1,109
Retained earnings	20	<u>2,554,977</u>	<u>2,803,717</u>
SHAREHOLDERS' FUNDS		<u><u>5,571,960</u></u>	<u><u>5,820,700</u></u>

The financial statements were approved by the Board of Directors on 30 Oct 16 and were signed on its behalf by:


P L Murphy Director

The notes form part of these financial statements

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

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2015**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £
Balance at 1 January 2014	2,184,379	6,328,930	831,495	1,563,763
Changes in equity				
Total comprehensive income	-	3,298,842	-	(1,563,763)
Balance at 31 December 2014	<u>2,184,379</u>	<u>9,627,772</u>	<u>831,495</u>	<u>-</u>
Changes in equity				
Total comprehensive income	-	1,996,855	-	-
Balance at 31 December 2015	<u>2,184,379</u>	<u>11,624,627</u>	<u>831,495</u>	<u>-</u>
	Capital reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2014	489,227	11,397,794	(35,218)	11,362,576
Changes in equity				
Total comprehensive income	-	1,735,079	768,284	2,503,363
Balance at 31 December 2014	<u>489,227</u>	<u>13,132,873</u>	<u>733,066</u>	<u>13,865,939</u>
Changes in equity				
Total comprehensive income and payment to minorities	-	1,996,855	(704,859)	1,291,996
Balance at 31 December 2015	<u>489,227</u>	<u>15,129,728</u>	<u>28,207</u>	<u>15,157,935</u>

The notes form part of these financial statements

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

**Company Statement of Changes in Equity
for the Year Ended 31 December 2015**

	Called up share capital £	Retained earnings £	Share premium £	Capital reserves £	Total equity £
Balance at 1 January 2014	2,184,379	3,355,704	831,495	1,109	6,372,687
Changes in equity					
Total comprehensive income	-	(551,987)	-	-	(551,987)
Balance at 31 December 2014	<u>2,184,379</u>	<u>2,803,717</u>	<u>831,495</u>	<u>1,109</u>	<u>5,820,700</u>
Changes in equity					
Total comprehensive income	-	(248,740)	-	-	(248,740)
Balance at 31 December 2015	<u><u>2,184,379</u></u>	<u><u>2,554,977</u></u>	<u><u>831,495</u></u>	<u><u>1,109</u></u>	<u><u>5,571,960</u></u>

The notes form part of these financial statements

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

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2015**

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	1	(2,171,125)	344,176
Interest paid		(1,566,210)	(1,448,059)
Tax paid		(179,644)	(124,544)
Net cash from operating activities		<u>(3,916,979)</u>	<u>(1,228,427)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(39,146)	(9,174)
Purchase of fixed asset investments		(704,896)	-
Sale of tangible fixed assets		9,630	-
Sale of investment properties		393,459	-
Interest received		90,104	3,088
Net cash from investing activities		<u>(250,849)</u>	<u>(6,086)</u>
Cash flows from financing activities			
Short term loans drawn down		14,926,145	7,823,882
Short term loans repaid		(10,154,457)	(1,841,246)
Debt due after one year - loans repaid		(724,000)	(5,146,897)
Debt due after one year - new loans		-	2,434,367
Net cash from financing activities		<u>4,047,688</u>	<u>3,270,106</u>
(Decrease)/increase in cash and cash equivalents		(120,140)	2,035,593
Cash and cash equivalents at beginning of year	2	3,376,362	1,340,769
Cash and cash equivalents at end of year	2	<u>3,256,222</u>	<u>3,376,362</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2015**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2015	2014
	£	£
Profit before taxation	2,430,934	3,235,107
Depreciation charges	13,167	11,479
Profit on disposal of fixed assets	(286,196)	-
Revaluation of investment properties	(1,624,549)	-
Finance costs	1,532,008	1,503,228
Finance income	(90,104)	(3,088)
	<u>1,975,260</u>	<u>4,746,726</u>
Increase in stocks	(4,624,020)	(5,668,415)
Increase in trade and other debtors	(4,263,079)	(2,715,917)
Increase in trade and other creditors	<u>4,740,714</u>	<u>3,981,782</u>
Cash generated from operations	<u>(2,171,125)</u>	<u>344,176</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u><u>3,256,222</u></u>	<u><u>3,376,362</u></u>

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	<u><u>3,376,362</u></u>	<u><u>1,340,769</u></u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2015**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102.

Going concern

After considering the group's prospects, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Significant judgement and estimates

In preparing the financial statements, estimates and judgements are made about the carrying values of assets and liabilities. Estimates and judgements are continually reviewed and are based on factors such as historical experience and other factors that are considered to be relevant.

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 relating to the year and excluding VAT. Sales of properties are recognised on the basis of unconditional contracts exchanged in the year.

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

1. ACCOUNTING POLICIES - continued

Investment property

Investment property is included at fair value as determined by the directors. Revaluation surpluses or deficits are recognised in the income statement. Deferred tax is provided on those gains at the rate expected to apply when the property is sold.

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.

Deferred tax

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

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 before taxation are attributable to the principal activities of the group.

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

	2015 £	2014 £
Sale of properties	19,976,794	24,373,605
Management fees	123,674	128,107
Insurance commissions received	31,097	46,752
Investment property rents	98,383	93,551
Lease extension fees	91,000	-
	<u>20,320,948</u>	<u>24,642,015</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	696,086	442,483
Social security costs	91,803	52,021
Other pension costs	<u>5,963</u>	<u>7,904</u>
	<u>793,852</u>	<u>502,408</u>

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

	2015	2014
Sales and marketing	2	1
Office and management	<u>9</u>	<u>9</u>
	<u>11</u>	<u>10</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	13,167	11,479
Auditors' remuneration	30,500	22,253
Remuneration of auditors for non-audit work	<u>59,395</u>	<u>32,175</u>
Directors' remuneration	<u>262,500</u>	<u>8,526</u>
Other operating income includes:		
Increase in value of investment properties	1,624,549	-
Rents receivable from trading properties	<u>120,864</u>	<u>574,291</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest	1,412,711	1,387,372
Interest payable on overdue tax	20,663	91
Other interest payable	<u>98,634</u>	<u>115,765</u>
	<u>1,532,008</u>	<u>1,503,228</u>

6. TAXATION

Analysis of the tax charge

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

	2015	2014
	£	£
Current tax:		
UK corporation tax	145,988	736,135
Adjustment for prior years	<u>54</u>	<u>(392)</u>
Total current tax	146,042	735,743
Deferred tax	<u>288,000</u>	<u>(4,000)</u>
Tax on profit on ordinary activities	<u>434,042</u>	<u>731,743</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2015 £	2014 £
Profit on ordinary activities before tax	<u>2,430,934</u>	<u>3,235,107</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 21%)	486,187	679,372
Effects of:		
Adjustments to tax charge in respect of previous periods	54	(392)
Other tax adjustments	(15,289)	56,763
Fair value increase in investment properties	(324,910)	-
Deferred tax	<u>288,000</u>	<u>(4,000)</u>
Total tax charge	<u>434,042</u>	<u>731,743</u>

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(248,740) (2014 - £(551,987)).

8. GOODWILL

Group

	Goodwill £
COST	
At 1 January 2015	163,745
Disposals	<u>(163,745)</u>
At 31 December 2015	-
AMORTISATION	
At 1 January 2015	163,745
Eliminated on disposal	<u>(163,745)</u>
At 31 December 2015	-
NET BOOK VALUE	
At 31 December 2015	-
At 31 December 2014	-

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

9. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2015	116,282	44,475	25,545	186,302
Additions	12,396	26,750	-	39,146
Disposals	-	(23,995)	-	(23,995)
At 31 December 2015	<u>128,678</u>	<u>47,230</u>	<u>25,545</u>	<u>201,453</u>
DEPRECIATION				
At 1 January 2015	104,748	28,177	19,423	152,348
Charge for year	2,393	7,720	3,054	13,167
Eliminated on disposal	-	(11,341)	-	(11,341)
At 31 December 2015	<u>107,141</u>	<u>24,556</u>	<u>22,477</u>	<u>154,174</u>
NET BOOK VALUE				
At 31 December 2015	<u>21,537</u>	<u>22,674</u>	<u>3,068</u>	<u>47,279</u>
At 31 December 2014	<u>11,534</u>	<u>16,298</u>	<u>6,122</u>	<u>33,954</u>

Company

	Fixtures and fittings £
COST	
At 1 January 2015 and 31 December 2015	<u>55,573</u>
DEPRECIATION	
At 1 January 2015	52,393
Charge for year	<u>318</u>
At 31 December 2015	<u>52,711</u>
NET BOOK VALUE	
At 31 December 2015	<u>2,862</u>
At 31 December 2014	<u>3,180</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2015	4,624,190
Additions	<u>704,896</u>
At 31 December 2015	<u>5,329,086</u>
PROVISIONS	
At 1 January 2015 and 31 December 2015	<u>152,074</u>
NET BOOK VALUE	
At 31 December 2015	<u>5,177,012</u>
At 31 December 2014	<u>4,472,116</u>

Cavendish & 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	100%
Halterstone Limited	England	Ordinary shares	100%
Happy Homes M25 Limited	England	Ordinary shares	100%
M25 Investments Limited	England	Ordinary shares	100%
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	100%
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 2015**

11. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2015	1,731,390
Disposals	(104,239)
Revaluations	<u>1,624,549</u>
At 31 December 2015	<u>3,251,700</u>
NET BOOK VALUE	
At 31 December 2015	<u>3,251,700</u>
At 31 December 2014	<u>1,731,390</u>

The investment properties have been stated at directors' valuation. The historical cost of the investment properties is £1,257,986 (2014: £1,362,225).

12. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Stock of properties	<u>35,139,651</u>	<u>30,515,631</u>	<u>35,096,683</u>	<u>30,603,290</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	117,794	17,851	69,434	12,868
Amounts owed by group undertakings	-	-	15,562	15,562
Other debtors	11,387,109	11,432,085	9,286,950	7,966,602
Amounts invested in joint property developments	1,374,244	1,448,432	1,374,244	1,448,432
Directors' current accounts	2,261	2,261	-	-
Corporation tax recoverable	107	-	-	-
VAT	97,236	83,511	129,302	117,713
Prepayments and accrued income	<u>4,572,641</u>	<u>304,066</u>	<u>4,530,653</u>	<u>250,728</u>
	<u>17,551,392</u>	<u>13,288,206</u>	<u>15,406,145</u>	<u>9,811,905</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 16)	23,251,547	16,571,619	22,694,697	15,987,069
Other loans (see note 16)	-	846,000	-	846,000
Trade creditors	665,977	692,108	552,898	638,725
Amounts owed to group undertakings	-	-	12,595,529	10,738,109
Corporation tax	904,698	938,193	37,324	37,324
Social security and other taxes	2,072	5,409	-	-
Other creditors	3,401,918	920,993	3,369,737	866,819
Amounts owed to joint property participants	9,810,844	8,825,088	9,336,810	8,190,568
Amounts due to landlords	58,396	44,680	-	-
Directors' current accounts	19,180	581,839	19,181	581,839
Accruals and deferred income	2,976,550	1,158,308	1,901,452	357,493
	<u>41,091,182</u>	<u>30,584,237</u>	<u>50,507,628</u>	<u>38,243,946</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	
	2015	2014	2015	2014
	£	£	£	£
Bank loans (see note 16)	526,127	3,158,367	526,127	2,434,367
Other loans (see note 16)	2,115,000	1,269,000	2,115,000	1,269,000
	<u>2,641,127</u>	<u>4,427,367</u>	<u>2,641,127</u>	<u>3,703,367</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 2015**

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	23,251,547	16,571,619	22,694,697	15,987,069
Other loans	-	846,000	-	846,000
	<u>23,251,547</u>	<u>17,417,619</u>	<u>22,694,697</u>	<u>16,833,069</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	363,627	2,970,867	363,627	2,246,867
Other loans - 1-2 years	-	423,000	-	423,000
	<u>363,627</u>	<u>3,393,867</u>	<u>363,627</u>	<u>2,669,867</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	162,500	187,500	162,500	187,500
Other loans - 2-5 years	2,115,000	846,000	2,115,000	846,000
	<u>2,277,500</u>	<u>1,033,500</u>	<u>2,277,500</u>	<u>1,033,500</u>

17. PROVISIONS FOR LIABILITIES

	Group	
	2015	2014
	£	£
Deferred tax	<u>356,000</u>	<u>68,000</u>
Group		
		Deferred tax
		£
Balance at 1 January 2015		68,000
Provided during year		<u>288,000</u>
Balance at 31 December 2015		<u>356,000</u>

18. MINORITY INTERESTS

	£
At 1 January 2015	733,066
Payment to acquire interest in subsidiary from minority shareholders	(704,896)
Profit and loss charge for the year	<u>37</u>
At 31 December 2015	<u>28,207</u>

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2015	2014
Number:	Class:		£	£
2,184,379	Ordinary shares		<u>2,184,379</u>	<u>2,184,379</u>

20. RESERVES

Group

	Retained earnings £	Share premium £	Capital reserves £	Totals £
At 1 January 2015	9,627,772	831,495	489,227	10,948,494
Profit for the year	<u>1,996,855</u>			<u>1,996,855</u>
At 31 December 2015	<u>11,624,627</u>	<u>831,495</u>	<u>489,227</u>	<u>12,945,349</u>

Company

	Retained earnings £	Share premium £	Capital reserves £	Totals £
At 1 January 2015	2,803,717	831,495	1,109	3,636,321
Deficit for the year	<u>(248,740)</u>			<u>(248,740)</u>
At 31 December 2015	<u>2,554,977</u>	<u>831,495</u>	<u>1,109</u>	<u>3,387,581</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

21. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Reachdrum Limited	92,255	32,160	92,255	32,160
Revelprime Limited	58,787	205,634	58,787	205,634
Mountheed Limited	3,117	81,866	3,117	81,866
P L Murphy	(47,840)	30,979	(47,840)	30,979
P Murphy Children's Trust	<u>(23,598)</u>	<u>28,124</u>	<u>(23,598)</u>	<u>28,124</u>

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

Reachdrum Limited	(1,196)	(1,204)	(1,196)	(1,204)
Plaint Limited	<u>789</u>	<u>307</u>	<u>789</u>	<u>307</u>

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

Reachdrum Limited in respect of joint property projects managed by Reachdrum Limited	10,004	11,200	10,004	11,200
Reachdrum Limited in respect of joint property projects managed by the Cavendish & Gloucester Properties Limited group	(865,956)	(711,833)	(865,956)	(711,833)
Plaint Limited	1,435,626	1,433,837	1,435,626	1,433,837
Revelprime Limited	(102,483)	(205,634)	(102,483)	(205,634)
Mountheed Limited	(3,804)	(638,517)	(3,804)	(638,517)
P L Murphy	(47,622)	(95,462)	(47,622)	(95,462)
P Murphy Children's Trust	<u>(867,535)</u>	<u>1,127,535</u>	<u>(867,535)</u>	<u>1,127,535</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	9,265,341	8,181,180	9,265,341	6,774,236
Due (to) / from Enterprise Properties Limited	(1,693,941)	1,101,831	(1,693,941)	1,101,831
Due to P Murphy Children's Trust	(10,000)	(40,000)	(10,000)	(40,000)
Due from Bourne End (Investments) Limited	-	72,000	-	72,000
Due to M 25 Group Limited	1,466,328	(595,854)	1,466,328	(595,854)
Due to Anglo-European Developments GB Limited	-	(100,000)	-	(100,000)
Due from Pressmile Limited	2,006,993	1,974,557	2,006,993	1,974,557

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2015**

- (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, which in turn is a wholly owned subsidiary of Enterprise Properties Limited, a company owned by P Murphy and P Murphy Children's Trust.
- (iii) 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. Interest receivable includes £90,096 (2014: £nil) in respect of interest chargeable to Pressmile Limited as a result of the excess amount taken by the lender. MFC Estates plc, which is under the control of P Murphy, is interested in 12.80% (2014: 12.80%) of the issued share capital of Cavendish & Gloucester Properties Limited.
- (v) Other operating income includes £50,000 (2014: £50,000) in respect of management fees charged to M 25 Group Limited.
- (vi) Turnover includes management fees receivable of £107,614 (2014: £100,320) chargeable to Drivers & Norris Limited, a company under the control of P Murphy. Cost of sales include £96,994 (2014: £100,367) of consultancy fees rendered by third parties in respect of work done on behalf of Drivers & Norris Limited. Cost of sales also includes £397,622 (2014: £332,432) in respect 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 £258,000 (2014: £251,083) payable to P Murphy for the use of a property owned by him. Also included under administrative expenses is a sum of £21,996 (2014: £21,996) in respect of rents payable to Reedrent Limited, and £43,333 (2014: nil) in respect of rents payable to Finchley Developments C&G Limited and £nil (2014: £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 and Finchley Developments C&G Limited are wholly owned subsidiaries of MFC Estates plc.
- c) Property expenses include property management fees of £nil (2014: £42,645) payable to MFC Estates plc.
- d) The directors' current accounts of £19,180 (2014: £581,839) shown under creditors for both the company and the group is due entirely to P Murphy. The directors' current accounts of £2,261 (2014: £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 (2014: £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. 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 £53,024 (2014: £52,876).
- f) Interest payable also includes £34,912 (2014: £nil) payable to M 25 Group Limited.

22. 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.

23. STATUTORY INFORMATION

Cavendish & Gloucester Properties Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

**Reconciliation of Equity
1 January 2014
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		36,259	-	36,259
Investment property		<u>1,743,390</u>	<u>-</u>	<u>1,743,390</u>
		<u>1,779,649</u>	<u>-</u>	<u>1,779,649</u>
CURRENT ASSETS				
Stocks		24,835,216	-	24,835,216
Debtors		10,572,289	-	10,572,289
Cash at bank and in hand		<u>1,340,769</u>	<u>-</u>	<u>1,340,769</u>
		<u>36,748,274</u>	<u>-</u>	<u>36,748,274</u>
CREDITORS				
Amounts falling due within one year		<u>(16,414,843)</u>	<u>-</u>	<u>(16,414,843)</u>
NET CURRENT ASSETS		<u>20,333,431</u>	<u>-</u>	<u>20,333,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,113,080	-	22,113,080
CREDITORS				
Amounts falling due after more than one year		(10,678,505)	-	(10,678,505)
PROVISIONS FOR LIABILITIES	2	-	(72,000)	(72,000)
MINORITY INTERESTS		<u>35,218</u>	<u>-</u>	<u>35,218</u>
NET ASSETS		<u>11,469,793</u>	<u>(72,000)</u>	<u>11,397,793</u>
CAPITAL AND RESERVES				
Called up share capital		2,184,379	-	2,184,379
Share premium		831,495	-	831,495
Revaluation reserve	1	369,165	(369,165)	-
Capital reserve		489,227	-	489,227
Retained earnings		<u>7,595,527</u>	<u>297,165</u>	<u>7,892,692</u>
SHAREHOLDERS' FUNDS		<u>11,469,793</u>	<u>(72,000)</u>	<u>11,397,793</u>

The notes form part of these financial statements

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

**Reconciliation of Equity - continued
31 December 2014**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		33,954	-	33,954
Investment property		1,731,390	-	1,731,390
		<u>1,765,344</u>	<u>-</u>	<u>1,765,344</u>
CURRENT ASSETS				
Stocks		30,515,631	-	30,515,631
Debtors		13,288,206	-	13,288,206
Cash at bank and in hand		3,376,362	-	3,376,362
		<u>47,180,199</u>	<u>-</u>	<u>47,180,199</u>
CREDITORS				
Amounts falling due within one year		<u>(30,584,237)</u>	<u>-</u>	<u>(30,584,237)</u>
NET CURRENT ASSETS		<u>16,595,962</u>	<u>-</u>	<u>16,595,962</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,361,306	-	18,361,306
CREDITORS				
Amounts falling due after more than one year		(4,427,367)	-	(4,427,367)
PROVISIONS FOR LIABILITIES	2	-	(68,000)	(68,000)
MINORITY INTERESTS		<u>(733,066)</u>	<u>-</u>	<u>(733,066)</u>
NET ASSETS		<u>13,200,873</u>	<u>(68,000)</u>	<u>13,132,873</u>
CAPITAL AND RESERVES				
Called up share capital		2,184,379	-	2,184,379
Share premium		831,495	-	831,495
Revaluation reserve	1	369,165	(369,165)	-
Capital reserves		489,227	-	489,227
Retained earnings		<u>9,326,607</u>	<u>301,165</u>	<u>9,627,772</u>
SHAREHOLDERS' FUNDS		<u>13,200,873</u>	<u>(68,000)</u>	<u>13,132,873</u>

Notes to the reconciliation of equity

1. Historically, under the old UK GAAP, Investment properties were recognised at market value with any aggregate surplus or deficit arising from changes in market value being transferred to a revaluation reserve. As a result, under the old UK GAAP, there was a balance of £369,165 as at 31 December 2014 (£369,165 at 1 January 2014) shown as revaluation reserve. However, under UK GAAP FRS 102, Investment properties whose fair value can be measured reliably without undue cost or effort are stated at fair value at each reporting date with changes in fair value recognised in the income statement. As a result, £369,165 has been reallocated from revaluation reserve to retained earnings.

2. FRS 102 requires deferred tax to be recognised on revaluations of investment properties. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued assets and the gains or losses expected to arise on sale had been recognised. This change has resulted in the recognition of a deferred tax liability of £68,000 as at 31 December 2014 (£72,000 at 1 January 2014).

The notes form part of these financial statements

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

**Reconciliation of Profit
for the Year Ended 31 December 2014**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	24,642,015	-	24,642,015
Cost of sales	<u>(18,322,071)</u>	<u>-</u>	<u>(18,322,071)</u>
GROSS PROFIT	6,319,944	-	6,319,944
Property and selling costs	(639,893)	-	(639,893)
Administrative expenses	(1,582,795)	-	(1,582,795)
Other operating income	<u>637,991</u>	<u>-</u>	<u>637,991</u>
OPERATING PROFIT	4,735,247	-	4,735,247
Interest receivable and similar income	3,088	-	3,088
Interest payable and similar charges	<u>(1,503,228)</u>	<u>-</u>	<u>(1,503,228)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,235,107	-	3,235,107
Tax on profit on ordinary activities	<u>(735,743)</u>	<u>4,000</u>	<u>(731,743)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	2,499,364	4,000	2,503,364
Minority interest - equity	<u>(768,284)</u>	<u>-</u>	<u>(768,284)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>1,731,080</u>	<u>4,000</u>	<u>1,735,080</u>
Profit attributable to:			
Owners of the parent	962,796	4,000	966,796
Minority interests	<u>768,284</u>	<u>-</u>	<u>768,284</u>
	<u>1,731,080</u>	<u>4,000</u>	<u>1,735,080</u>

The notes form part of these financial statements