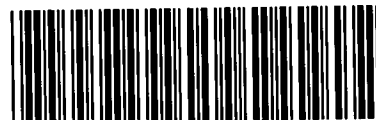


REGISTERED NUMBER: 01067607 (England and Wales)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2017
for
Cavendish & Gloucester Properties
Limited**

FRIDAY



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COMPANIES HOUSE

**Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2017**

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**Cavendish & Gloucester Properties
Limited**

**Company Information
for the Year Ended 31 December 2017**

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

**Chairman's Report
for the Year Ended 31 December 2017**

I am pleased to report that for the 4th continuous year we again made a reasonable profit last year. The year has been overshadowed by the reaction to stamp duty not withstanding that we completed and sold the whole development in Bromley, Kent, after the adjoining owner tried to undermine our building, we sold off the remaining units at Seal and the first phase at Edgware. Finally, we completed the last phase at Southbrook Park although at this moment we are currently sweating on whether the inspector is going to allow us another 18 flats. If he doesn't, we will still be able to get at least 12 in the car park.

I am grateful to United Trust Bank and our usual main bankers, NatWest, who have done sterling stuff and look forward to a better year next year making that our 5th profitable year in succession.

P L Murphy

Date:

31 July 18

**Group Strategic Report
for the Year Ended 31 December 2017**

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

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

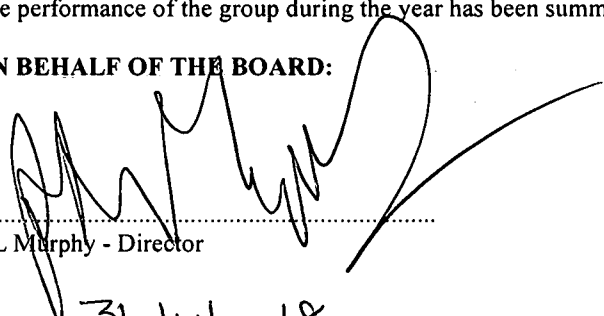
As with many businesses in our sector and of our size, the business environment in which the company operates continues to be challenging and influenced mainly by credit restrictions impacting on financing of our developments and on the ability of buyers to finance purchases of property.

KEY PERFORMANCE INDICATORS

	2017	2016
	£	£
Turnover	14,962,251	22,262,797
Profit before tax	1,409,664	989,517
Profit after tax before minority interest	1,140,551	938,528

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: 31-July-18.....

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

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 2017.

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 2017 in the issued share capital of the company were as follows:

	31.12.17	1.1.17
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% (2016: 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% (2016: 9.04%) of the company's share capital.

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.

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.

**Report of the Directors
for the Year Ended 31 December 2017**

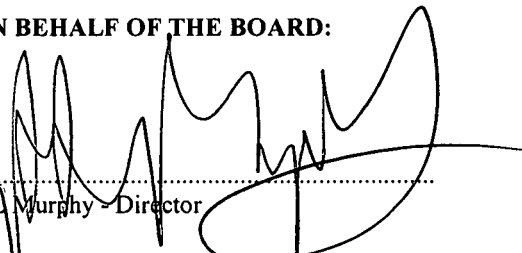
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 July 18.....

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

Opinion

We have audited the financial statements of Cavendish & Gloucester Properties Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

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: 1 August 2018

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

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
TURNOVER	3	14,962,251	22,262,797
Cost of sales		<u>10,423,956</u>	<u>18,367,688</u>
GROSS PROFIT		4,538,295	3,895,109
Property and selling costs		684,257	675,786
Administrative expenses		<u>1,796,633</u>	<u>1,688,694</u>
		2,480,890	2,364,480
		2,057,405	1,530,629
Other operating income		<u>293,279</u>	<u>561,714</u>
OPERATING PROFIT	5	2,350,684	2,092,343
Interest receivable and similar income		-	7,549
		2,350,684	2,099,892
Interest payable and similar expenses	6	<u>941,020</u>	<u>1,110,375</u>
PROFIT BEFORE TAXATION		1,409,664	989,517
Tax on profit	7	<u>269,113</u>	<u>50,989</u>
PROFIT FOR THE FINANCIAL YEAR		1,140,551	938,528
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,140,551</u>	<u>938,528</u>
Profit attributable to:			
Owners of the parent		1,140,508	937,330
Non-controlling interests		<u>43</u>	<u>1,198</u>
		<u>1,140,551</u>	<u>938,528</u>
Total comprehensive income attributable to:			
Owners of the parent		1,140,508	937,330
Non-controlling interests		<u>43</u>	<u>1,198</u>
		<u>1,140,551</u>	<u>938,528</u>

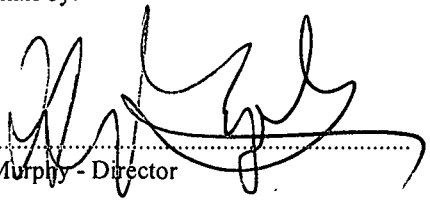
The notes form part of these financial statements

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

**Consolidated Balance Sheet
31 December 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	60,230	41,680
Investment property	11	<u>3,605,331</u>	<u>3,605,331</u>
		3,665,561	3,647,011
CURRENT ASSETS			
Stocks	12	34,423,014	30,012,430
Debtors	13	6,451,998	10,149,880
Cash at bank and in hand		<u>2,559,683</u>	<u>2,916,356</u>
		43,434,695	43,078,666
CREDITORS			
Amounts falling due within one year	14	<u>22,827,242</u>	<u>24,633,087</u>
NET CURRENT ASSETS		<u>20,607,453</u>	<u>18,445,579</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,273,014	22,092,590
CREDITORS			
Amounts falling due after more than one year	15	(6,740,000)	(5,696,127)
PROVISIONS FOR LIABILITIES	17	<u>(296,000)</u>	<u>(300,000)</u>
NET ASSETS		<u>17,237,014</u>	<u>16,096,463</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	489,227	489,227
Retained earnings	19	<u>13,702,465</u>	<u>12,561,957</u>
SHAREHOLDERS' FUNDS		17,207,566	16,067,058
NON-CONTROLLING INTERESTS	20	<u>29,448</u>	<u>29,405</u>
TOTAL EQUITY		<u>17,237,014</u>	<u>16,096,463</u>

The financial statements were approved by the Board of Directors on 31 July 18 and were signed on its behalf by:


P L Murphy - Director

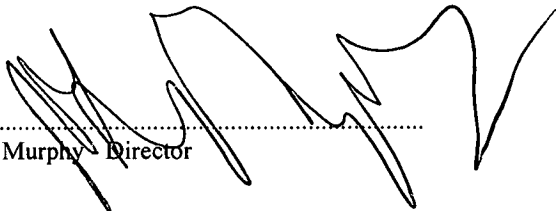
The notes form part of these financial statements

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

**Company Balance Sheet
31 December 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	2,318	2,576
Investments	10	<u>5,177,012</u>	<u>5,177,012</u>
		5,179,330	5,179,588
CURRENT ASSETS			
Stocks	12	34,207,980	29,992,190
Debtors	13	5,430,016	9,856,652
Cash at bank and in hand		<u>2,434,550</u>	<u>2,727,054</u>
		42,072,546	42,575,896
CREDITORS			
Amounts falling due within one year	14	<u>26,517,388</u>	<u>28,660,359</u>
NET CURRENT ASSETS		<u>15,555,158</u>	<u>13,915,537</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,734,488	19,095,125
CREDITORS			
Amounts falling due after more than one year	15	<u>(6,740,000)</u>	<u>(5,696,127)</u>
NET ASSETS		<u><u>13,994,488</u></u>	<u><u>13,398,998</u></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
Retained earnings	19	<u>10,977,505</u>	<u>10,382,015</u>
SHAREHOLDERS' FUNDS		<u><u>13,994,488</u></u>	<u><u>13,398,998</u></u>
 Company's profit for the financial year		 <u><u>595,490</u></u>	 <u><u>7,827,038</u></u>

The financial statements were approved by the Board of Directors on 31 July 18 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 2017**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2016	2,184,379	11,624,627	831,495
Changes in equity			
Total comprehensive income	<u>-</u>	<u>937,330</u>	<u>-</u>
Balance at 31 December 2016	<u>2,184,379</u>	<u>12,561,957</u>	<u>831,495</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>1,140,508</u>	<u>-</u>
Balance at 31 December 2017	<u>2,184,379</u>	<u>13,702,465</u>	<u>831,495</u>

	Capital reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2016	489,227	15,129,728	28,207	15,157,935
Changes in equity				
Total comprehensive income	<u>-</u>	<u>937,330</u>	<u>1,198</u>	<u>938,528</u>
Balance at 31 December 2016	<u>489,227</u>	<u>16,067,058</u>	<u>29,405</u>	<u>16,096,463</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>1,140,508</u>	<u>43</u>	<u>1,140,551</u>
Balance at 31 December 2017	<u>489,227</u>	<u>17,207,566</u>	<u>29,448</u>	<u>17,237,014</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 2017**

	Called up share capital £	Retained earnings £	Share premium £	Capital reserves £	Total equity £
Balance at 1 January 2016	2,184,379	2,554,977	831,495	1,109	5,571,960
Changes in equity					
Total comprehensive income	-	7,827,038	-	-	7,827,038
Balance at 31 December 2016	<u>2,184,379</u>	<u>10,382,015</u>	<u>831,495</u>	<u>1,109</u>	<u>13,398,998</u>
Changes in equity					
Total comprehensive income	-	595,490	-	-	595,490
Balance at 31 December 2017	<u>2,184,379</u>	<u>10,977,505</u>	<u>831,495</u>	<u>1,109</u>	<u>13,994,488</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 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	4,063,005	8,742,126
Interest paid		(938,932)	(1,122,255)
Tax paid		<u>(279,714)</u>	<u>(734,705)</u>
Net cash from operating activities		<u>2,844,359</u>	<u>6,885,166</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(40,888)	(7,741)
Sale of tangible fixed assets		3,425	-
Interest received		<u>-</u>	<u>7,549</u>
Net cash from investing activities		<u>(37,463)</u>	<u>(192)</u>
 Cash flows from financing activities			
Loans drawn down		6,035,013	5,529,762
Loans repaid		<u>(9,198,582)</u>	<u>(12,754,602)</u>
Net cash from financing activities		<u>(3,163,569)</u>	<u>(7,224,840)</u>
 Decrease in cash and cash equivalents		<u>(356,673)</u>	<u>(339,866)</u>
Cash and cash equivalents at beginning of year	2	<u>2,916,356</u>	<u>3,256,222</u>
 Cash and cash equivalents at end of year	2	<u><u>2,559,683</u></u>	<u><u>2,916,356</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2017**

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

	2017	2016
	£	£
Profit before taxation	1,409,664	989,517
Depreciation charges	7,482	13,340
Loss on disposal of fixed assets	11,431	-
Revaluation of investment properties	-	(353,631)
Finance costs	941,020	1,110,375
Finance income	-	(7,549)
	<u>2,369,597</u>	<u>1,752,052</u>
(Increase)/decrease in stocks	(4,410,584)	5,127,221
Decrease in trade and other debtors	3,697,882	7,401,405
Increase/(decrease) in trade and other creditors	<u>2,406,110</u>	<u>(5,538,552)</u>
Cash generated from operations	<u><u>4,063,005</u></u>	<u><u>8,742,126</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u><u>2,559,683</u></u>	<u><u>2,916,356</u></u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u><u>2,916,356</u></u>	<u><u>3,256,222</u></u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2017**

1. 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 General Information page.

2. 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.

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.

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 2017**

2. 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

3. 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:

	2017	2016
	£	£
Sale of properties	13,782,800	21,870,908
Management fees	1,033,070	272,872
Insurance commissions received	38,836	24,930
Investment property rents	97,545	94,087
Lease extension fees	10,000	-
	<u>14,962,251</u>	<u>22,262,797</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	724,752	595,213
Social security costs	93,486	74,416
Other pension costs	<u>24,497</u>	<u>5,625</u>
	<u>842,735</u>	<u>675,254</u>

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

	2017	2016
Sales and marketing	2	2
Office and management	<u>9</u>	<u>8</u>
	<u>11</u>	<u>10</u>

	2017	2016
	£	£
Directors' remuneration	<u>157,500</u>	<u>150,000</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	7,482	13,340
Auditors' remuneration	16,000	21,000
Remuneration of auditors for non-audit work	<u>27,810</u>	<u>39,700</u>

Directors' remuneration	<u>157,500</u>	<u>150,000</u>
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Other operating income includes:

Increase in value of investment properties	-	353,631
Rents receivable from trading properties	<u>222,712</u>	<u>148,048</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	880,921	1,042,910
Interest payable on overdue tax	2,266	4,966
Other interest payable	<u>57,833</u>	<u>62,499</u>
	<u>941,020</u>	<u>1,110,375</u>

7. TAXATION

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	272,701	129,237
Adjustment for prior years	<u>412</u>	<u>(22,248)</u>
Total current tax	273,113	106,989
Deferred tax	<u>(4,000)</u>	<u>(56,000)</u>
Tax on profit	<u>269,113</u>	<u>50,989</u>

Reconciliation of total tax charge included in profit and loss

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

	2017	2016
	£	£
Profit before tax	<u>1,409,664</u>	<u>989,517</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	267,836	197,903
Effects of:		
Expenses not deductible for tax purposes	3,530	1,833
Capital allowances in excess of depreciation	(1,728)	-
Depreciation in excess of capital allowances	-	401
Adjustments to tax charge in respect of previous periods	412	(22,248)
Other tax adjustments	3,063	(174)
Fair value increase in investment properties	-	(70,726)
Deferred tax	<u>(4,000)</u>	<u>(56,000)</u>
Total tax charge	<u>269,113</u>	<u>50,989</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

9. TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2017	128,678	47,230	33,286	209,194
Additions	10,888	30,000	-	40,888
Disposals	-	(26,750)	-	(26,750)
At 31 December 2017	<u>139,566</u>	<u>50,480</u>	<u>33,286</u>	<u>223,332</u>
DEPRECIATION				
At 1 January 2017	109,295	30,416	27,803	167,514
Charge for year	3,028	2,626	1,828	7,482
Eliminated on disposal	-	(11,894)	-	(11,894)
At 31 December 2017	<u>112,323</u>	<u>21,148</u>	<u>29,631</u>	<u>163,102</u>
NET BOOK VALUE				
At 31 December 2017	<u>27,243</u>	<u>29,332</u>	<u>3,655</u>	<u>60,230</u>
At 31 December 2016	<u>19,383</u>	<u>16,814</u>	<u>5,483</u>	<u>41,680</u>
Company				Fixtures and fittings £
COST				
At 1 January 2017 and 31 December 2017				<u>55,573</u>
DEPRECIATION				
At 1 January 2017				52,997
Charge for year				<u>258</u>
At 31 December 2017				<u>53,255</u>
NET BOOK VALUE				
At 31 December 2017				<u>2,318</u>
At 31 December 2016				<u>2,576</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2017 and 31 December 2017	<u>5,329,086</u>
PROVISIONS	
At 1 January 2017 and 31 December 2017	<u>152,074</u>
NET BOOK VALUE	
At 31 December 2017	<u>5,177,012</u>
At 31 December 2016	<u>5,177,012</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 shares	100%
Totteridge Common Limited	England	Ordinary shares	100%

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

11. INVESTMENT PROPERTY

Group	Total £
FAIR VALUE	
At 1 January 2017 and 31 December 2017	<u>3,605,331</u>
NET BOOK VALUE	
At 31 December 2017	<u>3,605,331</u>
At 31 December 2016	<u>3,605,331</u>

The investment properties have been stated at directors' valuation. The historical cost of the investment properties is £1,257,986 (2016: £1,257,986).

12. STOCKS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Stock of properties	<u>34,423,014</u>	<u>30,012,430</u>	<u>34,207,980</u>	<u>29,992,190</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	170,130	287,013	37,390	270,549
Amounts owed by group undertakings	-	-	326	326
Other debtors	3,844,067	8,519,762	3,839,309	8,518,873
Amounts invested in joint property developments	811,665	808,060	811,665	808,060
Directors' current accounts	-	2,261	-	-
VAT	28,403	197,148	184,904	84,892
Prepayments and accrued income	<u>1,597,733</u>	<u>335,636</u>	<u>556,422</u>	<u>173,952</u>
	<u>6,451,998</u>	<u>10,149,880</u>	<u>5,430,016</u>	<u>9,856,652</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 16)	8,764,265	12,971,707	8,764,265	12,971,707
Trade creditors	572,491	571,935	551,664	535,207
Amounts owed to group undertakings	-	-	4,280,363	4,644,911
Corporation tax	270,274	276,875	18,371	10,472
Social security and other taxes	3,378	3,375	-	-
Other creditors	1,415,228	1,854,885	1,404,425	1,834,288
Amounts owed to joint property participants	8,870,671	7,946,183	8,870,517	7,932,868
Amounts due to landlords	22,389	27,403	-	-
Directors' current accounts	1,540,359	145,371	1,540,359	145,371
Accruals and deferred income	1,368,187	835,353	1,087,424	585,535
	<u>22,827,242</u>	<u>24,633,087</u>	<u>26,517,388</u>	<u>28,660,359</u>

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

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 16)	4,105,000	3,581,127	4,105,000	3,581,127
Other loans (see note 16)	<u>2,635,000</u>	<u>2,115,000</u>	<u>2,635,000</u>	<u>2,115,000</u>
	<u>6,740,000</u>	<u>5,696,127</u>	<u>6,740,000</u>	<u>5,696,127</u>

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year or on demand:				
Bank loans	<u>8,764,265</u>	<u>12,971,707</u>	<u>8,764,265</u>	<u>12,971,707</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	232,000	1,257,127	232,000	1,257,127
Other loans - 1-2 years	<u>2,635,000</u>	<u>-</u>	<u>2,635,000</u>	<u>-</u>
	<u>2,867,000</u>	<u>1,257,127</u>	<u>2,867,000</u>	<u>1,257,127</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	3,873,000	2,324,000	3,873,000	2,324,000
Other loans - 2-5 years	<u>-</u>	<u>2,115,000</u>	<u>-</u>	<u>2,115,000</u>
	<u>3,873,000</u>	<u>4,439,000</u>	<u>3,873,000</u>	<u>4,439,000</u>

17. PROVISIONS FOR LIABILITIES

	Group	
	2017 £	2016 £
Deferred tax	<u>296,000</u>	<u>300,000</u>
Group		
		Deferred tax £
Balance at 1 January 2017		300,000
Credit to Statement of Comprehensive Income during year		<u>(4,000)</u>
Balance at 31 December 2017		<u>296,000</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017 £	2016 £
2,184,379	Ordinary shares	£1	<u>2,184,379</u>	<u>2,184,379</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

19. RESERVES

Group

	Retained earnings £	Share premium £	Capital reserves £	Totals £
At 1 January 2017	12,561,957	831,495	489,227	13,882,679
Profit for the year	<u>1,140,508</u>			<u>1,140,508</u>
At 31 December 2017	<u>13,702,465</u>	<u>831,495</u>	<u>489,227</u>	<u>15,023,187</u>

Company

	Retained earnings £	Share premium £	Capital reserves £	Totals £
At 1 January 2017	10,382,015	831,495	1,109	11,214,619
Profit for the year	<u>595,490</u>			<u>595,490</u>
At 31 December 2017	<u>10,977,505</u>	<u>831,495</u>	<u>1,109</u>	<u>11,810,109</u>

20. NON-CONTROLLING INTERESTS

	£
At 1 January 2017	29,405
Profit and loss charge for the year	<u>43</u>
At 31 December 2017	<u>29,448</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

21. RELATED PARTY DISCLOSURES

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

	2017	2016
	£	£
Reachdrum Limited	162,516	107,455
Revelprime Limited	5,407	18,138
MFC Estates plc	(83,000)	91,981
Mountheed Limited	(41,454)	(25,510)
P L Murphy	43,869	57,006
P Murphy Children's Trust	<u>19,526</u>	<u>199,339</u>

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

Reachdrum Limited	-	(672)
Plaint Limited	<u>23,605</u>	<u>46,240</u>

Amounts owed by / (due to) related party
joint property participants for both the
company and the group were:

Reachdrum Limited in respect of joint property projects managed by Reachdrum Limited	9,332	9,332
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Reachdrum Limited in respect of joint property projects managed by the Cavendish & Gloucester Properties Limited group	(1,030,421)	(994,674)
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Plaint Limited	732,332	798,727
Revelprime Limited	(88,145)	(120,238)
Mountheed Limited	(336,840)	25,510
P L Murphy	(155,089)	(111,210)
P Murphy Children's Trust	(953,677)	(781,726)
MFC Estates plc	<u>(155,356)</u>	<u>(238,356)</u>

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

Due to Delaway Limited	(12,806)	(12,806)
Due from MFC Estates plc	3,742,298	8,410,828
Due from Enterprise Properties Limited	43,529	74,529
Due to P Murphy Children's Trust	-	(320,000)
Due to M 25 Group Limited	(1,200,001)	(1,391,328)
Due to Cavendish & Gloucester plc	<u>(66,721)</u>	<u>(66,721)</u>

Other than stated below, the balances above are unsecured and interest free.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

(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. P Murphy is the settlor of P Murphy Children's Trust.

(iii) Plaintiff Limited is a wholly owned subsidiary of Enterprise Properties Limited.

(iv) Interest receivable for the previous year includes £6,665 in respect of interest due from Pressmile Limited. Interest payable for the year includes £9,840 due on a bank loan of £1,700,000 borrowed during the year under a bank facility available to Pressmile Limited. Pressmile Limited is a wholly owned subsidiary of MFC Estates plc, which is under the control of P Murphy. MFC Estates plc is interested in 12.80% (2016: 12.80%) of the issued share capital of Cavendish & Gloucester Properties Limited.

(v) Cavendish & Gloucester plc is wholly owned by P Murphy.

(vi) Other operating income includes £50,000 (2016: £50,000) in respect of management fees charged to M 25 Group Limited.

(vii) Turnover includes management fees receivable of £114,272 (2016: £111,797) chargeable to Drivers & Norris Limited, a company under the control of P Murphy. Cost of sales include £102,272 (2016: £99,781) of consultancy fees rendered by third parties in respect of work done on behalf of Drivers & Norris Limited. Turnover also includes management fees receivable of £595,001 (2016: £130,294) chargeable to MFC Estates plc and its subsidiaries.

(viii) 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 (2016: £258,000) payable to P Murphy for the use of a property owned by him. Also included under administrative expenses is a sum of £21,996 (2016: £21,996) in respect of rents payable to Reedrent Limited, and £56,000 (2016: £49,333) in respect of rents payable to Finchley Developments C&G Limited. Both Finchley Developments C&G Limited and Reedrent Limited are wholly owned subsidiaries of MFC Estates plc.

c) The directors' current accounts of £1,540,359 (2016: £145,371) shown under creditors for both the company and the group is due entirely to P Murphy. The directors' current accounts of £2,261 shown under debtors for both the company and the group for the comparative year was due from M Slane. No interest has been charged on these sums.

d) Other loans due after more than one year includes £2,115,000 (2016: £2,115,000) 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 £48,460 (2016: £53,024).

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.