
KSEYE PROPERTY SERVICES LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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KSEYE PROPERTY SERVICES LTD

COMPANY INFORMATION

Directors	J Khagram N Khagram
Registered number	07199057
Registered office	1 Kenyngton Place Harrow Middlesex HA3 0DW
Independent auditors	Moore Stephens LLP Statutory Auditor 150 Aldersgate Street London EC1A 4AB

KSEYE PROPERTY SERVICES LTD

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditors' report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 15

KSEYE PROPERTY SERVICES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Business review

The company's principal activity was to act as a loan book manager for KSEYE Capital LLP. However, on 29th July 2016, the management agreement between KSEYE Property Services Ltd and KSEYE Capital LLP was terminated.

The KSEYE companies underwent a group restructure in 2016 which saw the formation of KSEYE Group Ltd, the new ultimate parent company of the KSEYE family. As part of the restructure, KSEYE Property Services Ltd became a subsidiary of KSEYE Group Ltd.

The company acts as a funder for KSEYE Capital No.1 Ltd, a lending subsidiary of KSEYE Group Ltd.

Highlights of the year include the following:

- Revenue £854k (2016: £1.9m)
- Profit before tax £717k (2016: £1.6m)
- No capital losses on loans managed

Directors

The directors who served during the year were:

J Khagram
N Khagram

Disclosure of information to auditors

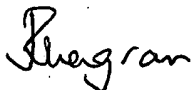
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J Khagram
Director

Date: 19/12/2017

KSEYE PROPERTY SERVICES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the Directors' 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 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'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KSEYE PROPERTY SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KSEYE PROPERTY SERVICES LTD

We have audited the financial statements of KSEYE Property Services Ltd for the year ended 31 March 2017, set out on pages 5 to 15. The relevant financial reporting framework that has been applied in their preparation is applicable law and Section 1A "Small Entities" of FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 an Auditors' report 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 Directors' responsibilities statement on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

KSEYE PROPERTY SERVICES LTD

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KSEYE PROPERTY SERVICES LTD
(CONTINUED)**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Jeremy Watkins

Jeremy Watkins (Senior statutory auditor)

for and on behalf of
Moore Stephens LLP

Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Date: 20 December 2017

KSEYE PROPERTY SERVICES LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover		853,720	1,874,502
Cost of sales		(1,465)	-
Gross profit		852,255	1,874,502
Administrative expenses		(135,529)	(242,169)
Operating profit	4	716,726	1,632,333
Interest receivable and similar income		-	27
Profit before tax		716,726	1,632,360
Tax on profit	8	(136,842)	(324,932)
Profit for the financial year		579,884	1,307,428
Other comprehensive income for the year			
Total comprehensive income for the year		579,884	1,307,428

The notes on pages 8 to 15 form part of these financial statements.

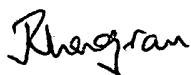
KSEYE PROPERTY SERVICES LTD
REGISTERED NUMBER: 07199057

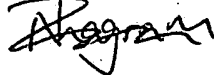
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note		2017 £	2016 £
Fixed assets				
Tangible assets	10		7,581	10,108
			<u>7,581</u>	<u>10,108</u>
Current assets				
Debtors: amounts falling due within one year	11	439,613	2,471,622	
Bank and cash balances		8,132	85,865	
		<u>447,745</u>	<u>2,557,487</u>	
Creditors: amounts falling due within one year	12	(455,226)	(638,400)	
Net current (liabilities)/assets			<u>(7,481)</u>	<u>1,919,087</u>
Total assets less current liabilities			<u>100</u>	<u>1,929,195</u>
Net assets			<u>100</u>	<u>1,929,195</u>
Capital and reserves				
Called up share capital	13		100	100
Retained earnings			-	1,929,095
			<u>100</u>	<u>1,929,195</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


J Khagram
 Director


N Khagram
 Director

Date: 19/12/2017

The notes on pages 8 to 15 form part of these financial statements.

KSEYE PROPERTY SERVICES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Retained earnings	Total capital and reserves
	£	£	£
At 1 April 2015	100	781,667	781,767
Comprehensive income for the year			
Profit for the year	-	1,307,428	1,307,428
Dividends	-	(160,000)	(160,000)
At 1 April 2016	100	1,929,095	1,929,195
Comprehensive income for the year			
Profit for the year	-	579,884	579,884
Dividends	-	(2,508,979)	(2,508,979)
At 31 March 2017	100	-	100

KSEYE PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

KSEYE Property Services Limited is a private company, limited by shares, incorporated in England and Wales, registration number 07199057. The address of its registered office is 1 Kenyngton Place, Harrow, Middlesex, HA3 0DW.

The principal activity of the company during the year was that of a dedicated loan book manager and underwriter.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements have been prepared in pounds sterling (£) and the figures have been rounded to the nearest £.

Transition to FRS102

These financial statements for the year ended 31 March 2017 are the entity's first financial statements that comply with Section 1A of FRS102. The company's date of transition to FRS102 is 1 April 2015. The company's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2016.

The transition to Section 1A of FRS102 has not resulted in any changes in the entity's accounting policies compared to those used when applying previous UK GAAP.

The following principal accounting policies have been applied:

2.2 Going concern

The entity is in a net liability position, however the entity has continued support of the shareholders and remains a going concern.

2.3 Turnover

Turnover comprises loan processing fees recognised on an accruals basis.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

KSEYE PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

KSEYE PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.11 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no judgments or material estimation uncertainties affecting the reported financial performance in the current or prior year.

4. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	2,527	3,369

KSEYE PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5. Auditors' remuneration

	2017 £	2016 £
Audit fee	6,875	10,700
Taxation compliance services	1,950	-
	<u>8,825</u>	<u>10,700</u>

6. Employees

The average monthly number of employees, including directors, during the year was 2 (2016 - 4).

The 4 employees from the previous year were transferred to the ultimate parent company, KSEYE Group Limited, from 1 June 2016.

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	3,667	21,200
	<u>3,667</u>	<u>21,200</u>

8. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	144,639	327,414
Adjustments in respect of previous periods	(7,797)	(2,482)
Total current tax	<u>136,842</u>	<u>324,932</u>

KSEYE PROPERTY SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Taxation (continued)

The tax assessed for the year is higher than (2016 - *lower than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>716,726</u>	<u>1,632,360</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	143,345	326,472
Effects of:		
Expenses not deductible for tax purposes	1,417	545
Depreciation in excess of capital allowances	(124)	392
Adjustments to tax charge in respect of prior periods	(7,796)	(2,477)
Total tax charge for the year	<u><u>136,842</u></u>	<u><u>324,932</u></u>

9. Dividends

	2017 £	2016 £
Dividends paid on equity capital	<u>2,508,979</u>	<u>160,000</u>
	<u><u>2,508,979</u></u>	<u><u>160,000</u></u>

KSEYE PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2016	21,954	8,841	30,795
At 31 March 2017	21,954	8,841	30,795
Depreciation			
At 1 April 2016	15,008	5,679	20,687
Charge for the year on owned assets	1,736	791	2,527
At 31 March 2017	16,744	6,470	23,214
Net book value			
At 31 March 2017	5,210	2,371	7,581
At 31 March 2016	6,946	3,162	10,108

11. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	422,783	2,469,131
Other debtors	16,830	1,057
Prepayments and accrued income	-	1,434
	439,613	2,471,622

KSEYE PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	3,752
Amounts owed to other participating interests	166,555	-
Corporation tax	144,429	547,748
Other taxation and social security	-	2,255
Other creditors	136,087	77,645
Accruals and deferred income	8,155	7,000
	<u>455,226</u>	<u>638,400</u>

13. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. Contingent liabilities

A legal charge has been registered against the Company by RBS which includes a fixed charge and a floating charge over the assets of the Company.

15. Related party transactions

The Company has taken the exemption available under FRS 102 section 1A to not disclose related party transactions with other group companies.

At the year end the directors were owed by the company £87,087 (2016 - £1,017 was owed to the company by the directors). This balance was interest free and repayable on demand.

During the year KSEYE Property Services Ltd were paid a service fee and loan interest of £773,264 (2016 - £1,862,417) from KSEYE Capital LLP for providing a loan and loan processing services. At the year end an amount of £4,631 (2016 - £2,451,062) was due from KSEYE Capital LLP. The directors J Khagram and N Khagram are both members of KSEYE Capital LLP.

During the year consultancy fees of £44,000 (2016 - £57,200) were paid to the wife of one of the directors.

At the year end £7,000 (2016: £nil) was owed by the Company to KSEYE Ltd. The company has a common director.

KSEYE PROPERTY SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. Controlling party

The ultimate parent company is KSEYE Group Limited, a company registered in England and Wales, registration number 10147461. The address of its registered office is 1 Kenyngton Place, Harrow, Middlesex, HA3 0DW.

There is no ultimate controlling party.

17. First time adoption of FRS 102

The transition to Section 1A of FRS102 has not resulted in any changes to the statement of comprehensive income or statement of financial position.