REGISTERED NUMBER: 08083621 (England and Wales)

# REGISTRAR'S COPY

REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

FOR

HARROW THE HUB INVESTMENTS LIMITED

WEDNESDAY
*A5MC9MQB*
A15 21/12/2016 #67
COMPANIES HOUSE

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# FOR THE YEAR ENDED 31 MARCH 2016


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# HARROW THE HUB INVESTMENTS LIMITED

## COMPANY INFORMATION
## FOR THE YEAR ENDED 31 MARCH 2016

| | |
|---|---|
| **DIRECTORS:** | G Dufton<br>A Sheikh |
| **REGISTERED OFFICE:** | 7th Floor<br>Metropolitan House<br>3 Darkes Lane<br>Potters Bar<br>Hertfordshire<br>EN6 1AG |
| **REGISTERED NUMBER:** | 08083621 (England and Wales) |
| **AUDITORS:** | Moore Stephens Northern Home Counties Limited<br>Statutory Auditor<br>Nicholas House<br>River Front<br>Enfield<br>Middlesex<br>EN1 3FG |

## REPORT OF THE DIRECTORS
## FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

### PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of property development.

### DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

G Dufton
A Sheikh

### DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 and then apply them consistently;
- make judgements 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 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.

### 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 company'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 company's auditors are aware of that information.
This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

### ON BEHALF OF THE BOARD:

.....
A Sheikh - Director

Date: 15/12/2016

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARROW THE HUB INVESTMENTS LIMITED

We have audited the financial statements of Harrow The Hub Investments Limited for the year ended 31 March 2016 on pages four to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 two, 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 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 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 company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

F J Cc

Francis Corbishley (Senior Statutory Auditor)
for and on behalf of Moore Stephens Northern Home Counties Limited
Statutory Auditor
Nicholas House
River Front
Enfield
Middlesex
EN1 3FG

Date: 20/12/2016

HARROW THE HUB INVESTMENTS LIMITED (REGISTERED NUMBER: 08083621)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | 31.3.16 £ | 31.3.15 £ |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | | - | - |
| Other operating income | | 104,882 | 4,005,466 |
| Administrative expenses | | (104,000) | (159,321) |
| **Operating profit** | | 882 | 3,846,145 |
| **Profit before income tax** | | 882 | 3,846,145 |
| Income tax | 3 | - | (800,000) |
| **Profit for the year** | | 882 | 3,046,145 |
| **Other comprehensive income** | | - | - |
| **Total comprehensive income for the year** | | 882 | 3,046,145 |

The notes form part of these financial statements

## STATEMENT OF FINANCIAL POSITION
## 31 MARCH 2016

| | Notes | 31.3.16 £ | 31.3.15 £ |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investment property | 4 | 1,740,298 | 14,668,439 |
| **Current assets** | | | |
| Inventories | 5 | 21,845,094 | - |
| Trade and other receivables | 6 | 2,782,272 | 3,325,274 |
| Cash and cash equivalents | 7 | 1,514,785 | 141,131 |
| | | 26,142,151 | 3,466,405 |
| **Total assets** | | 27,882,449 | 18,134,844 |
| **Equity** | | | |
| **Shareholders' equity** | | | |
| Called up share capital | 8 | 101 | 101 |
| Retained earnings | 9 | 6,431,900 | 6,431,018 |
| **Total equity** | | 6,432,001 | 6,431,119 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities - borrowings | | | |
| Interest bearing loans and borrowings | 11 | 19,507,413 | 9,118,349 |
| Deferred tax | 12 | 1,823,439 | 1,823,439 |
| | | 21,330,852 | 10,941,788 |
| **Current liabilities** | | | |
| Trade and other payables | 10 | 119,596 | 699,029 |
| Tax payable | | - | 62,908 |
| | | 119,596 | 761,937 |
| **Total liabilities** | | 21,450,448 | 11,703,725 |
| **Total equity and liabilities** | | 27,882,449 | 18,134,844 |

The financial statements were approved by the Board of Directors on 15/12/2016 and were signed on its behalf by:

A Sheikh - Director

The notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2016

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|---|---|---|---|
| **Balance at 1 April 2014** | 100 | 3,384,873 | 3,384,973 |
| **Changes in equity** | | | |
| Issue of share capital | 1 | - | 1 |
| Total comprehensive income | - | 3,046,145 | 3,046,145 |
| **Balance at 31 March 2015** | 101 | 6,431,018 | 6,431,119 |
| **Changes in equity** | | | |
| Total comprehensive income | - | 882 | 882 |
| **Balance at 31 March 2016** | 101 | 6,431,900 | 6,432,001 |

The notes form part of these financial statements

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2016

| | | 31.3.16 £ | 31.3.15 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | (8,952,502) | (3,946,739) |
| Tax paid | | (62,908) | 62,908 |
| Net cash from operating activities | | (9,015,410) | (3,883,831) |
| **Cash flows from investing activities** | | | |
| Purchase of investment property | | - | (668,439) |
| Net cash from investing activities | | - | (668,439) |
| **Cash flows from financing activities** | | | |
| New loans in year | | 10,389,064 | 9,118,349 |
| Loan repayments in year | | - | (4,554,838) |
| Share issue | | - | 1 |
| Net cash from financing activities | | 10,389,064 | 4,563,512 |
| **Increase in cash and cash equivalents** | | 1,373,654 | 11,242 |
| **Cash and cash equivalents at beginning of year** | 2 | 141,131 | 129,889 |
| **Cash and cash equivalents at end of year** | 2 | 1,514,785 | 141,131 |

The notes form part of these financial statements

## NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

### 1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

| | 31.3.16 | 31.3.15 |
|---|---|---|
| | £ | £ |
| Profit before income tax | 882 | 3,846,145 |
| Valuation gains | - | (4,000,000) |
| Change in group balances | 576,656 | (3,203,642) |
| Reclassification of investment property | 12,928,141 | - |
| | 13,505,679 | (3,357,497) |
| Increase in inventories | (21,845,094) | - |
| Increase in trade and other receivables | (33,654) | (81,368) |
| Decrease in trade and other payables | (579,433) | (507,874) |
| **Cash generated from operations** | (8,952,502) | (3,946,739) |

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2016**

| | 31/3/16 | 1/4/15 |
|---|---|---|
| | £ | £ |
| Cash and cash equivalents | 1,514,785 | 141,131 |

**Year ended 31 March 2015**

| | 31/3/15 | 1/4/14 |
|---|---|---|
| | £ | £ |
| Cash and cash equivalents | 141,131 | 129,889 |

The notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1. ACCOUNTING POLICIES

**Basis of preparation**
These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for investment properties and financial instruments which are measured at fair value.

**Accounting policies**
The Company was incorporated in the UK as a private limited liability company on 25 May 2012.

The principal activity of the Company was that of property development. The registered office is 7th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire EN6 1AG.

The financial statements have been prepared in accordance with International Financial Reporting Standards.

During the year, the Company adopted the following standards for the period commencing 1 April 2015:

- Amendments to IFRS 10, IFRS 12 and IAS 27 'Investment Entities'
- Amendments to IAS 32 'Offsetting financial assets and financial liabilities'
- Amendments to IAS 36 'Recoverable amount disclosures for non-financial assets'
- Amendments to IAS 39 'Novation of derivatives and continuation of hedge accounting'

**Measurement convention**
The financial statements are prepared on the historical cost basis except for investment property and financial instruments which have been measured at fair value.

**Investment Property**
Investment property comprises completed property held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met. The lease obligation is recognised under IAS 17 at fair value of the interest in the leasehold property.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise. For the purposes of these financial statements, in order to avoid 'double accounting', the assessed fair value is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

- Increased by the carrying amount of any liability to the superior leaseholder or freeholder that has been recognised in the balance sheet as a finance lease obligation.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the income statement in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

**Tenant deposits**
Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

**Impairment (excluding deferred tax assets)**
The carrying amounts of the Company's assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

i) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

**Provisions**
A provision, other than provisions for deferred taxation, is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

**Revenue Recognition**
i) Rental Income

Rental income receivable from operating leases, less the Company's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when they arise.

ii) Service charges and expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, as the directors consider that the Company acts as principal in this respect.

**Expenses - Financing costs**
Financing costs, comprising interest payable on bank loans and overdrafts, finance charges on finance leases, the unwinding of the discount on provisions and the costs incurred in connection with the arrangement of borrowings are recognised in the income statement using the effective interest rate method.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Interest income also includes gains arising on the change in fair value of hedging instruments in the income statement.

Financing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset.

Financing costs also include losses arising on the change in fair value of hedging instruments that are recognised in the income statement.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date.

**Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**(a) Judgements other than estimates**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**(i) Classification of property**

The Company determines whether a property is classified as investment property or inventory property:

- Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) which are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Company develops and intends to sell before or on completion of construction.

**(ii) Operating lease contracts - the Company as lessor**

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these property and so accounts for the leases as operating leases.

**(iii) Taxes**

The Company is subject to income and capital gains taxes. Significant judgement is required to determine the total provision for current and deferred taxes.

There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred taxation, the effective tax rate applicable on the temporary differences in investment property depends on the method by which the carrying amount of investment property will be realised.

The Company recognises liabilities for current taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made. Deferred tax assets and liabilities are recognised on a net basis to the extent they are relating to the same fiscal unity and fall due in approximately the same period.

**(b) Estimates**

**(i) Valuation of property**

The fair value of investment property is determined by the directors based on their knowledge of the property market and based on recent real estate transactions with similar characteristics and location to those of the Company assets.

**Inventories**
Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Taxation**
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

## 2. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 March 2016 nor for the year ended 31 March 2015.

| | 31.3.16<br>£ | 31.3.15<br>£ |
|---|---|---|
| Directors' remuneration | - | - |

## 3. INCOME TAX

**Analysis of tax expense**

| | 31.3.16<br>£ | 31.3.15<br>£ |
|---|---|---|
| Deferred tax | - | 800,000 |
| Total tax expense in statement of profit or loss and other comprehensive income | - | 800,000 |

## 4. INVESTMENT PROPERTY

| | Total<br>£ |
|---|---|
| **FAIR VALUE** | |
| At 1 April 2015 | 14,668,439 |
| Reclassification/transfer | (12,928,141) |
| At 31 March 2016 | 1,740,298 |
| **NET BOOK VALUE** | |
| At 31 March 2016 | 1,740,298 |
| At 31 March 2015 | 14,668,439 |

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the IVSC. The valuation is prepared on an aggregated ungeared basis. As set out in Note 1b (i), in arriving at their estimates of market values, the directors have used their market knowledge and professional judgements and not relied on historical transactional comparable.

## 5. INVENTORIES

| | 31.3.16 £ | 31.3.15 £ |
|---|---|---|
| Property stock | 21,845,094 | - |

## 6. TRADE AND OTHER RECEIVABLES

| | 31.3.16 £ | 31.3.15 £ |
|---|---|---|
| Current: | | |
| Trade debtors | 12,890 | 50,949 |
| Amounts owed by group undertakings | 2,637,147 | 3,213,803 |
| Other receivables | - | 1 |
| VAT | 132,235 | 60,521 |
| | 2,782,272 | 3,325,274 |

## 7. CASH AND CASH EQUIVALENTS

| | 31.3.16 £ | 31.3.15 £ |
|---|---|---|
| Bank accounts | 1,514,785 | 141,131 |

## 8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.3.16 £ | 31.3.15 £ |
|---|---|---|---|---|
| 100 | 'A' Ordinary | £1 | 100 | 100 |
| 1 | 'B' Ordinary | £1 | 1 | 1 |
| | | | 101 | 101 |

The 'A' ordinary shares have full voting rights until the 'B' ordinary shareholders serve a 'B share notice' on the company, and full rights to dividends and capital distribution (including on winding up). The 'B' ordinary shares have no voting rights until the 'B' ordinary shareholders serve a 'B share notice' on the company (whereupon the 'A' ordinary shares have no voting rights), and no rights to dividends and capital distribution save for the repayment of par value of the shares. These shares have the right to be re-designated as 'A' ordinary shares upon exercise of a put option, and the right to appoint and remove directors by written notice upon service of a 'B share notice'.

## 9. RESERVES

| | Retained earnings £ |
|---|---|
| At 1 April 2015 | 6,431,018 |
| Profit for the year | 882 |
| At 31 March 2016 | 6,431,900 |

## 10. TRADE AND OTHER PAYABLES

| | 31.3.16 £ | 31.3.15 £ |
|---|---|---|
| Current: | | |
| Trade payables | 58,412 | 246,837 |
| Other payables | 61,184 | 452,192 |
| | 119,596 | 699,029 |

## 11. FINANCIAL LIABILITIES - BORROWINGS

| | 31.3.16 | 31.3.15 |
|---|---|---|
| | £ | £ |
| Non-current: | | |
| Other loans | 19,507,413 | 9,118,349 |

Terms and debt repayment schedule

| | 1-2 years |
|---|---|
| | £ |
| Other loans | 19,507,413 |

The other loans are repayable in full upon disposal of the company's investment property and property stock against which these loans are secured.

## 12. DEFERRED TAX

| | 31.3.16 | 31.3.15 |
|---|---|---|
| | £ | £ |
| Balance at 1 April | 1,823,439 | 1,023,439 |
| Movement during the period | - | 800,000 |
| Balance at 31 March | 1,823,439 | 1,823,439 |

## 13. RELATED PARTY DISCLOSURES

During the year, the company paid £100,000 (2015: £100,000) to Locksbridge Developments Limited in respect of project management costs.

At the balance sheet date, the company was owed £3,000,000 (2015: £3,000,000) from Harrow The Hub (Holdings) Limited. On the same date, the company owed £49,105 (2015: was owed £213,803), £237,748 (2015: £nil) and £76,000 (2015: £nil) to Sheikh Holdings Group (Investments) Limited, Grosvenor (UK) Limited and Locksbridge Developments Limited respectively. These companies are related by virtue of their common parent undertaking being Sheikh Holdings Group (Investments) Limited.

## 14. CONTROLLING PARTY

The ultimate parent company is Sheikh Holdings Group (Investments) Limited.