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Company Registration No. 08840121 (England and Wales)

AXIS HOUSE HEATHROW LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED ENDED 31 JANUARY 2016

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AXIS HOUSE HEATHROW LIMITED

COMPANY INFORMATION

Directors	Kamal Pankhania Sunil Pankhania Vraj Pankhania
Company number	08840121
Registered office	Acre House 11-15 William Road London NW1 3ER United Kingdom
Accountants	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	7 Churchill Court 58 Station Road Harrow Middlesex HA2 7SA United Kingdom
Bankers	Metro Bank One Southampton Row London WC1B 5HA United Kingdom Bank of India 293 Harrow Road Wembley Middlesex HA9 6BD United Kingdom

AXIS HOUSE HEATHROW LIMITED

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AXIS HOUSE HEATHROW LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	2		8,131,306		5,167,350
Current assets					
Debtors	3	1,066,757		716,867	
Cash at bank and in hand		3,108		6,672	
		<u>1,069,865</u>		<u>723,539</u>	
Creditors: amounts falling due within one year	4	<u>(2,553,795)</u>		<u>(1,571,491)</u>	
Net current liabilities			<u>(1,483,930)</u>		<u>(847,952)</u>
Total assets less current liabilities			6,647,376		4,319,398
Creditors: amounts falling due after more than one year	5		(6,769,171)		(4,346,222)
Net liabilities			<u>(121,795)</u>		<u>(26,824)</u>
Capital and reserves					
Called up share capital	6		100		100
Profit and loss reserves			<u>(121,895)</u>		<u>(26,924)</u>
Total equity			<u>(121,795)</u>		<u>(26,824)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

AXIS HOUSE HEATHROW LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2016

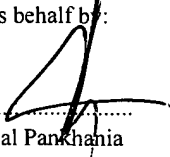
For the financial Period ended ended 31 January 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the Period ended in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 02/09/2016 and are signed on its behalf by:


Kamal Pankhania
Director

Company Registration No. 08840121

AXIS HOUSE HEATHROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED ENDED 31 JANUARY 2016

1 Accounting policies

Company information

Axis House Heathrow Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Acre House 11-15 William Road, London, United Kingdom, NW1 3ER.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention and on a going concern basis, the validity of which is dependent on the continual support of its director, Vraj Pankhania, and the companies under common control. The principal accounting policies adopted are set out below.

These financial statements for the Period ended ended 31 January 2016 are the first financial statements of Axis House Heathrow Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 February 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Tangible fixed assets

Tangible fixed assets include the property and development costs to convert the property into flats to rent.

No depreciation is provided in respect of the assets in the course of construction as these are not yet complete and ready for use.

1.3 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

AXIS HOUSE HEATHROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JANUARY 2016

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

AXIS HOUSE HEATHROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JANUARY 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Comparative figures

The comparative figures relate to the period from 10 January 2014 to 31 January 2015.

AXIS HOUSE HEATHROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JANUARY 2016

2 Tangible fixed assets

	Assets under construction £
Cost	
At 1 February 2015	5,167,350
Additions	2,963,956
	<u>8,131,306</u>
At 31 January 2016	8,131,306
Depreciation and impairment	
At 1 February 2015 and 31 January 2016	-
	<u>-</u>
Carrying amount	
At 31 January 2016	8,131,306
	<u><u>8,131,306</u></u>
At 31 January 2015	5,167,350
	<u><u>5,167,350</u></u>

Included in tangible fixed assets are cumulative finance costs of £262,992 (2015: £109,265).

3 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts owed by companies under common control	1,057,135	682,464
Other debtors	8,067	34,403
Prepayments and accrued income	1,555	-
	<u>1,066,757</u>	<u>716,867</u>
	<u><u>1,066,757</u></u>	<u><u>716,867</u></u>

4 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	173,681	62,092
Amounts owed to companies under common control	2,319,595	1,470,298
Accruals and deferred income	60,519	39,101
	<u>2,553,795</u>	<u>1,571,491</u>
	<u><u>2,553,795</u></u>	<u><u>1,571,491</u></u>

Included in amounts owed to companies under common control are various loans totalling £1,273,858 (2015: 500,000) from Sankh Limited, a company owned by Kamsun Trust whose settlor is the director, Vraj Pankhania. During the year, loan interest of £29,489 (2015: £15,288) is expensed as the advances are for working capital. These loans were due for repayments within a year, but were repaid in early April 2016.

AXIS HOUSE HEATHROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JANUARY 2016

5 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts		5,379,604	3,556,875
Amounts owed to companies under common control		1,389,567	789,347
		<u>6,769,171</u>	<u>4,346,222</u>

The following securities are provided on the bank loans:

- First legal charge over the company's property.
- Debenture charge on the company's assets.
- Extension of legal charge over the core security of the properties held by Westcombe Home Improvements and Property Co, a partnership where the director, Vraj Pankhania and his wife Joshna are partners. The partnership is also held responsible for the completion of the project.
- Unconditional cross guarantee by Hollyhedge Limited, Trellis Estates Limited, Brackenhill Developments Limited and Acre Heathrow Limited, all of which are controlled by the directors.
- Unconditional guarantee and indemnity by Vraj Pankhania, Joshna Pankhania, Kamal Pankhania and Sunil Pankhania.

The bank loan is due to be repaid in May 2018, but was repaid early in April 2016 by re-financing to Metro Bank.

Included in amounts owed to companies under common control are loans totalling £841,461 (2015: £769,497) from Sankh Limited, a company owned by Kamsun Trust whose settler is the director, Vraj Pankhania.

During the year, loan interest of £27,170 (2015: £18,777) charged by Sankh Limited is capitalised as part of the value of the fixed assets as the associated advance is taken to finance the acquisition of the property. Further loan interest of £7,091 (2015: £1,073) charged by Sankh Limited is expensed for advance used for working capital.

At the year end date, the company owed £895,572 (2015: £789,347) to Sankh Limited in respect of long term loans. These loans were repaid before their maturity dates as part of the refinancing with Metro Bank in April 2016.

Also included in amounts owed to companies under common control is a loan of £474,769 (2015: £Nil) from Hanuman Limited, a company owned by Kamsun Trust whose settler is the director, Vraj Pankhania. During the year, loan interest of £19,226 (2015: £Nil) charged by Hanuman Limited is expensed.

At the year end date, the company owed £493,995 (2015: £Nil) to Hanuman Limited in respect of a long term loan.

Creditors include an amount of £493,995 (2015: £789,347) falling due after more than five years.

6 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

AXIS HOUSE HEATHROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JANUARY 2016

7 Related party transactions

Included in debtors are transactions with the following entities which the directors have common control and/or directorship:

-During the year, the company incurred expenses totalling £212,846 (2015: £100,457) on behalf of Acre Heathrow Limited. In the same period, Acre Heathrow Limited incurred expenses totalling £51,072 (2015: £Nil) on behalf of the company. At the year end date, the company was owed £262,231 (2015: £100,457) by Acre Heathrow Limited.

-During the year, the company incurred expenses totalling £97,073 (2015: £518,651) on behalf of Brackenhill Developments Limited. In the same period, Brackenhill Developments Limited incurred expenses totalling £13,695 (2015: £127) on behalf of the company. At the year end date, the company was owed £601,902 (2015: £518,524) by Brackenhill Developments Limited.

-During the year, the company incurred expenses totalling £119,767 (2015: £73,650) on behalf of Hollyhedge Limited. In the same period, Hollyhedge Limited incurred expenses totalling £56,934 (2015: £14,667) on behalf of the company. At the year end date, the company was owed £121,816 (2015: £58,983) by Hollyhedge Limited.

-During the year, the company incurred expenses totalling £43,103 (2015: £Nil) on behalf of Westcombe Estates Limited. In the same period, Westcombe Estates Limited incurred expenses totalling £1,395 (2015: £400) on behalf of the company. At the year end date, the company was owed £41,308 by (2015: the company owed £400) to Westcombe Estates Limited.

-During the year, the company incurred expenses totalling £6,044 (2015: £Nil) on behalf of Westcombe Properties Limited. At the year end date, the company was owed £6,044 (2015: £Nil) by Westcombe Properties Limited.

-Also included in debtors are expenses totalling £23,834 (2015: £Nil) incurred by the company on behalf of Trellis Estates Limited, a company owned by Kamsun Trust whose settlor is the director, Vraj Pankhania. At the year end date, the company was owed £23,834 (2015: £Nil) by Trellis Estates Limited.

-At the year end date, the company was owed £Nil (2015: £4,500) by V Pankhania Foundation.

Included in creditors falling due within one year are transactions with the following entities which the directors have common control and/or directorship:

-During the year, the company incurred expenses totalling £18,234 (2015: £Nil) on behalf of Red Apple Developments Limited. In the same period, Red Apple Developments Limited incurred expenses totalling £285,907 (2015: £Nil) on behalf of the company. At the year end date, the company owed £267,673 (2015: £Nil) to Red Apple Developments Limited.

-During the year, the company incurred expenses totalling £134,233 (2015: £Nil) on behalf of Squire Estates Limited. In the same period, Squire Estates Limited incurred expenses totalling £143,943 (2015: £510) on behalf of the company. At the year end date, the company owed £10,220 (2015: £510) to Squire Estates Limited.

Similarly, included in creditors are expenses totalling £1,323,716 (2015: £52,157) incurred by the company on behalf of Westcombe Home Improvements & Property Co, a partnership in which the director Mr Vraj Pankhania is a partner. In the same period, Westcombe Home Improvements & Property Co incurred expenses totalling £1,003,985 (2015: £961,810) on behalf of the company. At the year end date, the company owed £589,922 (2015: £909,653) to Westcombe Home Improvements & Property Co.

Also included in creditors are expenses totalling £26,704 (2015: £Nil) incurred by the company on behalf of Sankh Limited, a company owned by Kamsun Trust whose settler is the director, Vraj Pankhania. In the same period, Sankh Limited incurred expenses totalling £116,072 (2015: £44,447) on behalf of the company. At the year end date, the company owed £133,815 (2015: £44,447) to Sankh Limited. In addition, the company also owed £1,317,965 (2015: £515,288) to Sankh Limited in respect of a short term loan, details of which are included in note 4.

Details of long term loans advanced by related parties are included in note 5.