

Registered number: 00278047

HOUSE OWNERS INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018



HOUSE OWNERS INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	David Turner William G Amies James Acheson
Company Secretary	James Acheson
Registered number	00278047
Registered office	34 Park Street London W1K 2JD
Asset manager	Brunswick Property Partners Limited Sanderson House, 22 Station Road Horsforth, Leeds LS18 5NT
Independent auditors	BDO LLP 55 Baker Sreet London W1U 7EU
Administrator and accountant	Langham Hall UK Serivces LLP 8th Floor 1 Fleet Place London EC4M 7RA
Bankers	National Westminster Bank 1 Princes Street London EC2R 8BP

HOUSE OWNERS INVESTMENTS LIMITED

COMPANY INFORMATION

Solicitors

Shoosmiths LLP
6th Floor
1 St Martin's Le Grand
London
EC1A 4AS

Linklaters LLP
1 Silk Street
London
EC2Y 8HQ

Valuer

Cushman & Wakefield
43/45 Portman Square
London
W1A 3BG

HOUSE OWNERS INVESTMENTS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 16

HOUSE OWNERS INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the period ended 31 December 2018.

Directors' responsibilities statement

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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principle activity of the Company is that of property investment and management.

Directors

The directors who served during the period were:

David Turner
William George Amies
James Acheson

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.

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

HOUSE OWNERS INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

Post balance sheet events

On 8 January 2019, House Owners Investments Limited and House Owners Investments (London) Limited disposed of the Weybridge Estate, one of a number of properties included in Investment Property for a cash consideration of £17.10 million.

On 27 February 2019, House Owners Investments Limited paid a dividend of £5,119,690 to its parent company Pearl UK Holdco Limited.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12/09/19
and signed on its behalf.

W G Amies
Director



HOUSE OWNERS INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF HOUSE OWNERS INVESTMENTS LIMITED

Opinion

We have audited the financial statements of House Owners Investments Limited ("the Company") for the period from 1 April 2018 to 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and 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 Company's affairs as at 31 December 2018 and of its profit for the period 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 Company'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 included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

HOUSE OWNERS INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF HOUSE OWNERS INVESTMENTS LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinions 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 is 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 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 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 an auditor's report 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:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HOUSE OWNERS INVESTMENTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO MEMBERS OF HOUSE OWNERS INVESTMENTS LIMITED
(CONTINUED)**

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 an auditor's 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.

BDO LLP

Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

Date: 12/9/2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Note	Period from 1 April 2018 to 31 December 2018 £	March 2018 £
Turnover	3	1,461,480	1,863,915
Cost of sales		(426,303)	(559,010)
Gross profit		1,035,177	1,304,905
Administrative expenses		(239,335)	(1,434,515)
Operating profit / (loss) before fair value movements		795,842	(129,610)
Fair value movement on investment property	6	1,676,309	51,681,731
Operating profit		2,472,151	51,552,121
Finance costs		-	(154,934)
Profit before tax		2,472,151	51,397,187
Tax on profit	5	866,472	(7,362,409)
Profit for the financial period / year		3,338,623	44,034,778
Profit for the period / year attributable to:			
Owners of the Parent Company		3,338,623	44,034,778
		3,338,623	44,034,778
Total comprehensive income for the period / year attributable to:			
Owners of the Parent Company		3,338,623	44,034,778
Total comprehensive income for the period / year		3,338,623	44,034,778

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for the period ended 31 December 2018 (March 2018: £NIL).

The notes on pages 9 to 16 form part of these financial statements.

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	December 2018 £	March 2018 £
Fixed assets			
Investment property	6	61,744,990	57,553,000
Investment in subsidiary	7	<u>2</u>	<u>2</u>
		61,744,992	57,553,002
Current assets			
Debtors: amounts falling due within one year	8	843,326	466,206
Cash at bank and in hand	9	<u>44,471</u>	<u>88,725</u>
		887,797	554,931
Creditors: amounts falling due within one year	10	<u>(3,970,675)</u>	<u>(1,740,982)</u>
Net current liabilities		<u>(3,082,878)</u>	<u>(1,186,051)</u>
Total assets less current liabilities		58,662,114	56,366,951
Provisions for liabilities			
Deferred tax	11	<u>(6,600,025)</u>	<u>(7,643,485)</u>
		(6,600,025)	(7,643,485)
Net assets		<u>52,062,089</u>	<u>48,723,466</u>
Capital and reserves			
Called up share capital	12	12,000	12,000
Share premium		56,300	56,300
Profit and loss account		<u>51,993,789</u>	<u>48,655,166</u>
		<u>52,062,089</u>	<u>48,723,466</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 on



12 / 09 / 19

W G Amies
Director

The notes on pages 9 to 16 form part of these financial statements

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	12,000	56,300	5,020,388	5,088,688
Dividends	-	-	(400,000)	(400,000)
Profit for the year	-	-	44,034,778	44,034,778
At 1 April 2018	<u>12,000</u>	<u>56,300</u>	<u>48,655,166</u>	<u>48,723,466</u>
Profit for the period	<u>-</u>	<u>-</u>	<u>3,338,623</u>	<u>3,338,623</u>
At 31 December 2018	<u>12,000</u>	<u>56,300</u>	<u>51,993,789</u>	<u>52,062,089</u>

The notes on pages 9 to 16 form part of these financial statements.

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

1. General information

House Owners Investments Limited (the "Company") is incorporated in England and Wales (registration number: 00278047). The principle activity of the Company is that of property investment and management.

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 judgement in applying the Group's accounting policies.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as individual entity and not about a group.

The following principal accounting policies have been applied:

2.2 Reporting period

The Company's financial information has been prepared for the period 1 April 2018 to 31 December 2018, with the prior period statements prepared from 1 April 2017 to 31 March 2018. The periods covered by the financial information for the Company vary in length and level of activities therefore it is not entirely comparable.

Following an application to shorten the accounting reference date to 31 December 2018, the company's next reporting will cover the period from 1 January 2019 to 31 December 2019.

2.3 Going concern

After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation of the Company having adequate resources to continue in operational existence for the foreseeable future and there is an expectation that finance will remain available.

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2.4 Revenue recognition

Revenue includes amounts receivable in respect of property rental income and is measured at fair value of the consideration received or receivable. Rental income is derived from investment properties and is recognised on a straight line basis over the term of the relevant leases.

Incentives for lessees to enter lease arrangements are spread evenly over the non-cancellable period of the lease, even if payments are not made on that basis.

Contingent rents, such as turnover rents, rent review and inflation-linked indexation, are recorded as income in the period in which they are earned.

Interest income is accrued on a time basis as it accrues using the effective interest rate.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

2.6 Lease incentives

Benefits to lessees in the form of the rent free periods, cash incentives and capital contributions are treated as a reduction in the overall return on the leases and, in accordance with UK GAAP operating lease incentives are recognised on a straight line basis over the length of lease term.

The total of the unamortised capital contributions and any lease incentives in place at the year-end are included within the carrying value of investment properties. Any remaining lease incentive balances in respect of properties disposed of are included in the calculation of profit or loss arising on disposal.

2.7 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.

2.8 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.

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2.9 Financial instruments

The Company only enters into basic financial instrument 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

2.10 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.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 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.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2.15 Current and deferred 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Turnover

	Period from 1 April 2018 to 31 December 2018 £	March 2018 £
Rental and service charge income	1,466,450	1,861,430
Amortisation of lease incentives	(4,970)	2,485
	<u>1,461,480</u>	<u>1,863,915</u>

All turnover arose within the United Kingdom.

4. Auditors' remuneration

	Period from 1 April 2018 to 31 December 2018 £	March 2018 £
Audit fees	8,263	16,055
Taxation fees	5,000	5,000
	<u>13,263</u>	<u>21,055</u>

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

5. Taxation

	Period to December 2018 £	March 2018 £
Corporation tax		
Prior period adjustment to tax on profits	29,468	(48,533)
Current tax on profits for the year	147,520	20,037
Deferred tax for the year	(1,043,460)	7,390,905
Total tax income/charge	(866,472)	7,362,409

Factors affecting tax income/charge for the year

The tax assessed for the year is lower/the same as the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	Period to December 2018 £	March 2018 £
Profit on ordinary activities before taxation	2,472,151	51,397,187
Profit multiplied by the standard rate of tax	469,709	10,279,437
Effects of		
Expenses not deductible for tax purposes	38,304	143,039
Group relief claimed	(28,863)	-
Income not taxable	(318,499)	(9,819,529)
Chargeable (losses)/ gains	(1,056,591)	6,807,995
Adjustments in respect of prior periods	29,468	(48,533)
Total tax income/charge for the year	(866,472)	7,362,409

6. Investment property

	Total £
Cost or valuation	
At 1 April 2018	57,553,000
Additions	2,515,681
Revaluation	1,676,309
At 31 December 2018	61,744,990

The group's investment properties are valued annually on 31 December at fair value. £41,494,990 has been determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2. The 2018 valuations have been performed by the company's accredited external valuers Cushman and Wakefield.

£20,250,000 has been valued by the Directors based on transactions which occurred after the year end.

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

7. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
House Owners Investments (London) Limited	England and Wales	100%	Property investment and management

The Company's registered office address is 34 Park Street, London, W1K 2JD.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	<u>2</u>
At 31 December 2018	<u>2</u>

8. Debtors: amounts falling due within one year

	December 2018 £	March 2018 £
Trade debtors	1,161	210,408
Lease incentive debtor	83,763	88,733
Other debtors	245,523	23,062
Prepayments and accrued income	460	3,960
Cash held by managing agent	512,419	140,043
	<u>843,326</u>	<u>466,206</u>

All debtor balances fall due within one year.

9. Cash and cash equivalents

	December 2018 £	March 2018 £
Cash at bank and in hand	44,471	88,725
	<u>44,471</u>	<u>88,725</u>

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

10. Creditors: Amounts falling due within one year

	December 2018 £	March 2018 £
Trade creditors	773	104,792
Amounts owed to Group undertakings	3,458,147	1,297,835
Other Taxation and social security	-	13,380
Other creditors	17,670	7,839
Accruals and deferred income	346,565	304,983
Corporation tax	147,520	12,153
	<u>3,970,675</u>	<u>1,740,982</u>

11. Deferred taxation

	2018 £
At beginning of period	(7,643,485)
Charged to profit or loss	<u>1,043,460</u>
At end of period	<u>(6,600,025)</u>

The provision for deferred taxation is made up as follows:

	December 2018 £	March 2018 £
Fixed asset timing differences	(254,463)	(252,580)
Capital gains and losses	<u>(6,345,562)</u>	<u>(7,390,905)</u>
	<u>(6,600,025)</u>	<u>(7,643,485)</u>

12. Share capital

	December 2018 £	March 2018 £
Authorised, allotted, called up and fully paid		
12,000- Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>

HOUSE OWNERS INVESTMENTS LIMITED
REGISTERED NUMBER: 00278047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

13. Related party transactions

Asset Management Fees of £184,496 (March 2018: £73,995) were charged by Brunswick Property Partners Limited to the Company as per the Asset Management Agreement. The amount outstanding as at 31 December 2018 was £NIL (March 2018: £73,995).

The Company has taken advantage of the exemption to exclude transfers between 100% owned group companies.

14. Controlling party

The Company is controlled by Pearl UK Holdco Limited, a Company incorporated in England and Wales (registration number: 11069879). The registered address is 34 Park Street, London, W1K 2JD. Pearl UK Holdco acquired a 100% shareholding in House Owners Investments Limited on 12 December 2017.

The ultimate controlling party is QInvest LLC, a Limited Liability Company incorporated in Qatar (registration number: 00048). The registered address is Tornado Tower, Majles Al Tawoun Street 213, 26222, Doha, State of Qatar.

15. Subsequent events

On 8 January 2019, House Owners Investments Limited and House Owners Investments (London) Limited disposed of the Weybridge Estate, one of a number of properties included in Investment Property for a cash consideration of £17.10 million.

On 27 February 2019, House Owners Investments Limited paid a dividend of £5,119,690 to its parent company Pearl UK Holdco Limited.

On 28 June 2019, House Owners Investments Limited disposed of 1 Red Lion Yard, Mayfair, London for a cash consideration of £7 million.

On 4 July 2019, House Owners Investments Limited paid a dividend of £8,000,000 to its parent company Pearl UK Holdco Limited.

On 31 July 2019, House Owners Investments Limited disposed of 140 Victoria Road, Queens Park, London for a cash consideration of £815,000.

16. Operating lease commitments

Lessor

The Company leases out the investment properties under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	December 2018	March 2018
Not later than 1 year	1,053,599	1,007,846
Later than 1 year and not later than 5 years	2,297,660	1,982,219
Later than 5 years	638,199	261,592
	<hr/>	<hr/>
	3,989,458	3,251,657
