Registered number: 01799743

THE LONDON OUTPOST LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Bishop Fleming
Chartered Accountants

THE LONDON OUTPOST LIMITED

COMPANY INFORMATION

DIRECTORS	M El-Solh M Thevenoux
COMPANY SECRETARY	K Millie-James
REGISTERED NUMBER	01799743
REGISTERED OFFICE	Unit 2 Capital Business Park Manor Way Borehamwood Hertfordshire WD6 1GW
INDEPENDENT AUDITORS	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

THE LONDON OUTPOST LIMITED

CONTENTS

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Independent Auditors' Report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 18

THE LONDON OUTPOST LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

PRINCIPAL ACTIVITY

The company's prinicipal activity throughout the year was that of property investment.

DIRECTORS

The directors who served during the year were:

M El-Solh
M Thevenoux

GOING CONCERN

The company relies on the support of fellow group companies. The directors have received assurance that this support will be ongoing for at least 12 months from the approval of these financial statements.

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.

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

M Thevenoux
Director

Date: 27.9.2018

Unit 2 Capital Business Park
Manor Way
Borehamwood
Hertfordshire
WD6 1GW

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONDON OUTPOST LIMITED

OPINION

We have audited the financial statements of The London Outpost Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Annual Report, other than the financial statements and our Auditors' 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.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONDON OUTPOST LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' Report for the financial year 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 Directors' 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.

RESPONSIBILITIES OF DIRECTORS

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, 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONDON OUTPOST 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 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.

S. M.

Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER
Date: 29/9/2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Administrative expenses		**(164,936)**	(177,666)
Unrealised loss on revaluation of investment property		**(6,159,226)**	(7,676,315)
OPERATING LOSS	4	**(6,324,162)**	(7,853,981)
Interest payable and expenses	5	**(116,036)**	(43,608)
LOSS BEFORE TAX		**(6,440,198)**	(7,897,589)
Tax on loss	6	**-**	545,000
LOSS FOR THE FINANCIAL YEAR		**(6,440,198)**	(7,352,589)

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 10 to 18 form part of these financial statements.

THE LONDON OUTPOST LIMITED
REGISTERED NUMBER:01799743

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
FIXED ASSETS					
Investment property			**9,250,000**		8,500,000
			9,250,000		8,500,000
CURRENT ASSETS					
Debtors: amounts falling due within one year	8	**100,018**		251,858	
Cash at bank and in hand	9	**181,067**		98,146	
		281,085		350,004	
Creditors: amounts falling due within one year	10	**(18,457,179)**		(11,335,900)	
NET CURRENT LIABILITIES			**(18,176,094)**		(10,985,896)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(8,926,094)**		(2,485,896)
NET LIABILITIES			**(8,926,094)**		(2,485,896)
CAPITAL AND RESERVES					
Called up share capital	12		**1,210,282**		1,210,282
Share premium account	13		**186,617**		186,617
Profit and loss account	13		**(10,322,993)**		(3,882,795)
			(8,926,094)		(2,485,896)

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

M Thevenoux
Director

Date: 27 - 9 - 2018

The notes on pages 10 to 18 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	1,210,282	186,617	(3,882,795)	(2,485,896)
Loss for the year	-	-	(6,440,198)	(6,440,198)
AT 31 DECEMBER 2017	**1,210,282**	**186,617**	**(10,322,993)**	**(8,926,094)**

The notes on pages 10 to 18 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	1,210,282	186,617	3,469,794	4,866,693
Loss for the year	-	-	(7,352,589)	(7,352,589)
AT 31 DECEMBER 2016	**1,210,282**	**186,617**	**(3,882,795)**	**(2,485,896)**

The notes on pages 10 to 18 form part of these financial statements.

THE LONDON OUTPOST LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	**(6,440,198)**	(7,352,589)
ADJUSTMENTS FOR:		
Interest paid	**116,036**	43,608
Taxation charge	**-**	(545,000)
Decrease in debtors	**151,841**	11,168
(Decrease)/increase in creditors	**(376,960)**	384,961
(Decrease)/increase in amounts owed to groups	**(8,135,985)**	1,787,173
Increase in amounts owed to participating ints	**11,241,525**	-
Net fair value losses recognised in P&L	**6,159,226**	7,676,315
NET CASH GENERATED FROM OPERATING ACTIVITIES	**2,715,485**	2,005,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	**(6,909,226)**	(4,676,315)
NET CASH FROM INVESTING ACTIVITIES	**(6,909,226)**	(4,676,315)
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	**4,392,699**	2,805,428
Interest paid	**(116,036)**	(43,608)
NET CASH USED IN FINANCING ACTIVITIES	**4,276,663**	2,761,820
INCREASE IN CASH AND CASH EQUIVALENTS	**82,922**	91,141
Cash and cash equivalents at beginning of year	**98,146**	7,004
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**181,068**	98,145
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	**181,067**	98,146

1. GENERAL INFORMATION

The London Outpost Limited is a limited liability company incorporated in England and Wales. The registered office is Unit 2 Capital Business Park, Manor Way, Borehamwood, Hertfordshire, WD6 1GW.

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 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 following principal accounting policies have been applied:

2.2 GOING CONCERN

The company relies on the support of fellow group companies. The directors have received assurance that this support will be ongoing for at least 12 months from the approval of these financial statements.

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.4 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. ACCOUNTING POLICIES (continued)

2.5 BORROWING COSTS

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

2.6 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. 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.

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.

2.7 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 Statement of Comprehensive Income.

2.8 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.

2.9 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2. ACCOUNTING POLICIES (continued)

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 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 a 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.

2.12 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. Due to the straightforward nature of the company, the directors believe the following are the only areas where significant judgment has been exercised:

Investment property valuation
At each year end the company revalues its investment property. The valuation in the accounts is based on the open market value for existing use basis, as determined by a suitably qualified third party. See note 7 for further information.

Deferred tax
The recognition of deferred tax assets is limited to the extent that it is probabale that they will be recovered against the future taxable profits. As the company does not currently recognise any trading income the directors have taken the devision to not reconigse a deferred tax asset in the accounts.

4. OPERATING LOSS

The operating loss is stated after charging:

	2017	2016
	£	£
Unrealised loss on revaluation of investment property	**6,159,226**	7,676,315
Exchange differences	**3,489**	(4,813)
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**4,350**	4,350

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest payable	**116,036**	43,608
	116,036	43,608

6. TAXATION

	2017	2016
	£	£
DEFERRED TAX		
Deferred tax credit due to year end investment property valuation	-	(545,000)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	-	(545,000)

6. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax charge for the previous year was affected by the movement on deferred tax relating to revaluation of investment property at the year end. The deferred tax movement is calculated on the estimated tax liability which would be due if the investment property held by the company was sold at the year end valuation. See note 7 for further information.

7. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 January 2017	8,500,000
Additions at cost	6,909,226
Surplus on revaluation	(6,159,226)
At 31 December 2017	**9,250,000**

The 2017 valuations were made by Savills, on an open market value for existing use basis.

8. DEBTORS

	2017 £	2016 £
Other debtors	**85,330**	245,773
Prepayments and accrued income	**14,688**	6,086
	100,018	251,859

9. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	**181,067**	98,146
	181,067	98,146

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans	**7,198,127**	2,805,428
Trade creditors	**3,360**	389,267
Amounts owed to group undertakings	**-**	8,135,985
Amounts owed to other participating interests	**11,241,525**	-
Other creditors	**234**	-
Accruals and deferred income	**13,933**	5,220
	18,457,179	11,335,900

The company's bank loan is secured over a fixed charge over the investment property of the company and is guaranteed by other group companies. See note 15 for further information. Interest is charged on the loan at 2.63% and the loan is due for repayment within one year from the balance sheet date.

11. FINANCIAL INSTRUMENTS

	2017 £	2016 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	**181,067**	98,146
Financial assets measured at amortised cost	**85,330**	245,774
Financial assets that are equity instruments measured at cost less impairment	**-**	-
	266,397	343,920
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(18,457,179)**	(11,335,900)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, amounts owed to group undertakings and accruals.

12. SHARE CAPITAL

	2017 £	2016 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
4,321,528 Ordinary A sharés of £0.25 each	**1,080,382**	1,080,382
250,000 Ordinary B shares of £0.50 each	**125,000**	125,000
4,900 Preference shares of £1 each	**4,900**	4,900
	1,210,282	1,210,282

Except as outlined below, each category of shares rank pari passu but consitute separate classes of shares. the rights attached to each shares are as follows:

The holders of the A Ordinary shares have full voting rights and entitlement to dividends. The holders of the A Ordinary shares are entitled to 1 vote per share.

The holders of the B Ordinary shares have full voting rights and entitlement to dividends. The holders of the B Ordinary shares are entitled to a dividend equal to 170 times the sum payable in respect of each A Ordinary Share. The holders of the B Ordinary shares are entitled to 170 votes for each B share held.

The holders of the Preference shares have full voting rights but no entitlement to dividends. The holders of the Preference shares are entitled to 1 vote per share.

13. RESERVES

Share premium account

The share premium reserve includes any premiums received on the issue of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Profit and loss account

The profit and loss accout reserve includes all current and prior period retained profit and losses. Included within the profit and loss account reserve at 31 December 2017 is £nil (2016: £Nil) of non-distributable reserves relating to unrealised gains on the revaluation of investment property and related movements on deferred tax. The distributable element of the profit and loss reserve had a deficit balance of £1,713,702 (2016: £1,432,730) at the year end.

14. CONTINGENT LIABILITIES

The company, along with other group companies, has entered into a finance facility agreement with HSBC Private Bank Suisse S.A. Under the terms of the agreement the companies are entitled to request loans of up to £45,360,000 to finance ongoing property development. Of this £45,360,000, the company is entitled to request loans of £11,600,000. As at 31 December 2017 the company had received £7,198,127 of funding under this agreement.

Tiverton Global Limited, a fellow group company, is one of the other companies listed in the agreement and is entitled to request loans of £11,620,000 under two separate financing facilities. The company, along with several other group companies, acts as a guarantor of one of these financing facilities of up to £10,800,000 on behalf of Tiverton Global Limited. At the year end Tiverton Global Limited had received £10,800,000 of this funding.

15. RELATED PARTY TRANSACTIONS

At the year end the company owed £11,241,525 (2016: £8,135,985) to a a company under common control.

16. CONTROLLING PARTY

The company is a 100% subsidiary of Pipestone Properties Limited, a company incorporated in the British Virgin Islands.

On 3 April 2017 the entire share capital of Elvira Overseas Limited, the parent company of Pipestone Properties Limited, was acquired by A Mikati, a shareholder of M1 Group Limited. On this date A Mikati became the ultimate controlling party of the company.