

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

FOR

CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED



6.2.17 98 fcs

**CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2016**

DIRECTOR:

L. Hadjiioannou

REGISTERED OFFICE:

6th Floor
Charles House
108-110 Finchley Road
London
NW3 5JJ

REGISTERED NUMBER

03769069

AUDITORS:

Numeria Partners LLP
Statutory Auditors
6th Floor
Charles House
108-110 Finchley Road
London
NW3 5JJ

CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED (REGISTERED NUMBER 03769069)

BALANCE SHEET
30 APRIL 2016

	Notes	30 4 16 £	£	30 4 15 £	£
FIXED ASSETS					
Tangible assets	3		62,000,000		62,000,000
CURRENT ASSETS					
Debtors	4	7,102,519		9,201,956	
Cash at bank	5	1,606,581		1,628,774	
		8,709,100		10,830,730	
CREDITORS					
Amounts falling due within one year	6	2,971,093		2,674,294	
NET CURRENT ASSETS			5,738,007		8,156,436
TOTAL ASSETS LESS CURRENT LIABILITIES			67,738,007		70,156,436
CREDITORS					
Amounts falling due after more than one year	7		(25,921,250)		(26,496,900)
PROVISIONS FOR LIABILITIES			(6,006,000)		(6,088,800)
NET ASSETS			35,810,757		37,570,736
CAPITAL AND RESERVES					
Called up share capital			2,000,002		2,000,002
Retained earnings			33,810,755		35,570,734
SHAREHOLDERS' FUNDS			35,810,757		37,570,736

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies

In accordance with Section 444 of the Companies Act 2006 the Income Statement has not been delivered

The financial statements were approved by the director on 28/11/16 and were signed by


L. Hadjioannou - Director

The notes form part of these financial statements

**CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED (REGISTERED NUMBER: 03769069)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

1 STATUTORY INFORMATION

Canary Riverside Estate Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office can be found on the Company Information page.

The principal activity of the company is property investment.

2 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modifications to a fair value basis for the revaluation of certain assets.

These financial statements for the year 30 April 2016 are the first financial statements that comply with FRS 102. The date of transition is 1 May 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies to those previously used.

The financial statements are presented in Sterling (£).

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are included in the tangible fixed asset note.

Turnover

Turnover represents net rental income receivable excluding value added tax.

**CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED (REGISTERED NUMBER: 03769069)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2016**

2 ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land and buildings - see below

The company adopts the group policy with regards to investment property as follows

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specified asset. If this information is not available, the company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

Subsequent expenditure is included in the carrying amount of the property when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

In accordance with Financial Reporting Standard 102 (FRS 102), investment properties are revalued and the surplus or deficit is transferred to the profit and loss account, and no depreciation is provided in respect of freehold investment properties. The requirement of the Companies Act 2006 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in FRS 102. The director considers that to depreciate such properties would not give a true and fair view, but that a true and fair view is given by following FRS 102 as described above. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the director, would be misleading. Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

Valuing the properties in the portfolio is a significant task and there are some subjectivities involved in the process. Not all accounting policies require management to make subjective or complex judgements or estimates. The following is intended to provide further detail relating to this accounting policy that management consider critical because of the level of complexity, judgement or estimation involved in its application and its impact on the financial statements.

Where possible the company obtains external valuations, however this is not considered practical or cost effective for the entire group's property portfolio. Accordingly, the balance of properties, after review by the directors, are valued by the company's own in house surveying team as at 30 April 2016. The in house surveying team use comparable data where available, such as sales prices, rental incomes and market yield information to establish the fair value at the balance sheet date.

The majority of the company's portfolio is invested in the type of properties where demand is high. Accordingly, the in house surveying team are well informed and have good recent information on current market values for similar properties. The in house surveying team also make reference to estimates of future rental income, property expenses and planning opportunities in order to value properties.

Deferred tax

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Financial liabilities

Short term creditors are measured at transaction price. Other financial liabilities including loans from group companies 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.

Financial assets

Short term debtors are measured at transaction price less any impairment. Other financial assets, including loans to group companies are measured initially at fair value, net of transactions costs and are subsequently measured at amortised cost using the effective interest method, less any impairment.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company, therefore continues to adopt the going concern policy in preparing its financial statements.

**CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED (REGISTERED NUMBER: 03769069)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2016**

3 TANGIBLE FIXED ASSETS

	Long leasehold £
COST OR VALUATION	
At 1 May 2015	
and 30 April 2016	62,000,000
NET BOOK VALUE	
At 30 April 2016	62,000,000
At 30 April 2015	62,000,000

Cost or valuation at 30 April 2016 is represented by

	Long leasehold £
Valuation in 2005	13,200,000
Valuation in 2008	3,550,000
Valuation in 2010	1,750,000
Valuation in 2011	2,000,000
Valuation in 2013	(4,600,000)
Valuation in 2015	23,100,000
Cost	23,000,000
	62,000,000

If leasehold properties had not been revalued they would have been included at the following historical cost

	30 4 16 £	30 4 15 £
Cost	23,000,000	23,000,000

Leasehold property to the sum of £62,000,000 is included at open market value as valued by the director

The company, after review by the directors, uses valuations performed by its own in house surveying team to value its own residential and commercial investment properties as at 30 April 2016

The assumptions relevant to the valuation of investment property are outlined in Note 1 above.

4 DEBTORS

	30 4 16 £	30 4 15 £
Amounts falling due within one year		
Trade debtors and accrued income	622,657	448,693
Amounts owed by group undertakings	6,279,402	-
Other debtors	83,185	29,642
Prepayments	117,275	58,223
	7,102,519	536,558

**CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED (REGISTERED NUMBER 03769069)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2016**

4 DEBTORS - continued

	30 4 16	30 4 15
	£	£
Amounts falling due after more than one year		
Amounts owed by group undertakings	-	8,665,398
	<u> </u>	<u> </u>
Aggregate amounts	<u>7,102,519</u>	<u>9,201,956</u>

5 CASH AT BANK

Included in the bank accounts, are reserve funds held on trust on behalf of the service charge for the apartments at the property address

6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 4 16	30 4 15
	£	£
Bank loans and overdrafts	456,231	456,236
Trade creditors	238,261	126,121
Amounts owed to group undertakings	33,331	-
VAT	122,401	118,171
Other creditors	18,504	-
Deposit held	1,380,987	1,315,557
Deferred income	330,716	342,443
Accrued expenses	390,662	315,766
	<u>2,971,093</u>	<u>2,674,294</u>

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 4 16	30 4 15
	£	£
Bank loans - 1-2 years	456,231	1,384,937
Bank loans - 2-5 years	25,465,019	24,960,036
Amounts owed to group undertakings	-	151,927
	<u>25,921,250</u>	<u>26,496,900</u>

8 SECURED DEBTS

The following secured debts are included within creditors

	30 4 16	30 4 15
	£	£
Bank loans	<u>26,377,481</u>	<u>26,801,204</u>

Bank loans are secured by way of mortgage debentures, floating and legal charges over the assets of the company

9 DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified

Giles Cohen (Senior Statutory Auditor)
for and on behalf of Numera Partners LLP

10 CONTINGENT LIABILITIES

The company is part of an omnibus guarantee and set off agreement for securing all monies due or to become due from certain group companies which at 30 April 2016 amounted to £39 million

**CANARY RIVERSIDE ESTATE
MANAGEMENT LIMITED (REGISTERED NUMBER 03769069)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2016**

11 RELATED PARTY DISCLOSURES

Included in debtors falling due within one year is an amount of £6,278,902 (2015 £8,665,398) owed by the immediate parent company Riverside CREM 2 Limited. This balance arose as a result of financing transactions.

Included in debtors falling due within one year is an amount of £500 (2015 £500) owed by Riverside CREM 3 Limited. This balance arose as a result of financing transactions. The companies are connected by virtue of being under the common control of Riverside CREM 2 Limited.

Included in creditors falling due within one year is an amount of £33,331 (2015 £151,927) owed to Palace Church 3 Limited. This balance arose as a result of financing transactions. The companies are connected by virtue of being under the common control of Yianis Holdings TC Limited.

12 APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

13 ULTIMATE CONTROLLING PARTY

The ultimate parent company is Y Christodoulou.

14 SHAREHOLDERS' FUNDS

Included in retained earnings are amounts which are distributable and not distributable to the shareholders. These are £816,755 and £32,994,000 respectively.

15 PARENT COMPANY

The immediate parent company is Riverside CREM 2 Limited, incorporated in Great Britain. The ultimate parent company is Yianis Holdings TC Limited, incorporated in BVI.