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COMPANY REGISTRATION NUMBER: 04090747

Ocubis Limited

Financial Statements

For the year ended 31 December 2018

Ocubis Limited

Strategic Report

Year ended 31 December 2018

Principal activities and review of business
The principal activity of the Company during the year was provision of serviced office space, property investment and development management.

Turnover decreased from £7.6m to £6.5m in the year. The main reason for this decrease was one of the main profit centres ceasing to trade 6 months into the year to allow for a forecast major refurbishment. The reopening of this centre is forecast to be in early 2020.

During the year the business took the opportunity to sell one of its buildings in The City of London.

Occupancy rates across the portfolio continued to improve.

Future developments
There were no significant acquisitions in the period. Turnover is expected to exceed current levels once the refurbished centre begins to trade again in early 2020.

Principal risks and uncertainties
The directors consider that the following are risks to the Group's business.

The possibility of rental levels falling. The directors believe that prudent acquisition of investments and the Group's active asset management approach would mitigate this risk.

Property valuations. The directors consider that the Group's low level of debt means that it is not dependent on maintaining current day property valuation levels.

Interest rates. The directors monitor interest rates and have a policy of hedging when long term rates exceed targeted levels.

Macro-economic conditions. The Group invests primarily in Central London property and the directors consider that London will maintain an acceptable level of occupational and investor demand for the Group's assets throughout most normal economic cycles.

Key performance indicators
The directors consider that Operating Margin and Return on Capital Employed would normally be our Key Performance Indicators, however these indicators are distorted by increased spending on repairs and void costs before properties are fully let up.

This report was approved by the board of directors on 23/9/19 and signed on behalf of the board by:

M C Gresham
Director

Registered office:
15 Regent Street
London
SW1Y 4LR

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Directors
The directors who served the company during the year were as follows:

J M Hunt
M C Gresham

Dividends
The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report
Details of future developments and financial risk management are included in the strategic report.

Directors' responsibilities statement
The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 23/9/19 and signed on behalf of the board by:

M C Gresham
Director

Registered office:
15 Regent Street
London
SW1Y 4LR

Opinion
We have audited the financial statements of Ocubis Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, 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 FRS 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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, 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.

Auditor's 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

ARJ Russell

Alistair Russell FCA (Senior Statutory Auditor)

For and on behalf of
Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

25/9/19

Ocubis Limited

Statement of Comprehensive Income

Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	6,464,283	7,586,936
Cost of sales		(27,580)	(37,510)
Gross profit		6,436,703	7,549,426
Administrative expenses		(7,997,158)	(7,261,285)
Other operating income		120,470	37,670
Operating (loss)/profit	5	(1,439,985)	325,811
Income from participating interests		9,096,625	4,249,270
Investment property fair value adjustment		(228,565)	(25,000)
Interest receivable and similar income		2,300	22
Interest payable and similar expenses	9	(1,633,405)	(1,382,853)
Profit before taxation		5,796,970	3,167,250
Tax on profit	10	(1,009,932)	137,678
Profit for the financial year and total comprehensive income		4,787,038	3,304,928

All the activities of the company are from continuing operations.

The notes on pages 8 to 16 form part of these financial statements.

Ocubis Limited

Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	**11**	37,279	57,255
Tangible assets	**12**	3,919,011	4,299,893
Investment property	**13**	25,146,547	25,000,000
Investments	**13**	32,097,224	32,097,224
		61,201,061	61,455,372
Current assets			
Debtors	**14**	51,608,761	48,234,169
Cash at bank and in hand		511,659	1,510,126
		52,120,420	49,744,295
Creditors: amounts falling due within one year	**15**	(22,619,829)	(15,266,459)
Net current assets		29,500,591	34,477,836
Total assets less current liabilities		90,701,652	95,933,208
Creditors: amounts falling due after more than one year	**16**	(58,564,516)	(68,833,110)
Provisions			
Other provisions	**17**	(250,000)	–
Net assets		31,887,136	27,100,098
Capital and reserves			
Called up share capital	**20**	5	5
Share premium account	**21**	22,692,996	22,692,996
Other reserves, including the fair value reserve	**21**	1,764,387	1,970,570
Profit and loss account	**21**	7,429,748	2,436,527
Shareholder funds		31,887,136	27,100,098

These financial statements were approved by the board of directors and authorised for issue on 23/9/19, and are signed on behalf of the board by:

M C Gresham
Director

Company registration number: 04090747

The notes on pages 8 to 16 form part of these financial statements.

Ocubis Limited

Statement of Changes in Equity

Year ended 31 December 2018

	Called up share capital £	Share premium account £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
At 1 January 2017	5	22,692,996	1,988,644	(886,475)	23,795,170
Profit for the year				3,304,928	3,304,928
Other comprehensive income for the year:					
Fair value adjustment to investment property	–	–	(25,000)	25,000	–
Deferred tax on revaluation of investment property	–	–	6,926	(6,926)	–
Total comprehensive income for the year	–	–	(18,074)	3,323,002	3,304,928
At 31 December 2017	5	22,692,996	1,970,570	2,436,527	27,100,098
Profit for the year				4,787,038	4,787,038
Other comprehensive income for the year:					
Fair value adjustment to investment property	–	–	(228,566)	228,566	–
Deferred tax on revaluation of investment property	–	–	22,383	(22,383)	–
Total comprehensive income for the year	–	–	(206,183)	4,993,221	4,787,038
At 31 December 2018	5	22,692,996	1,764,387	7,429,748	31,887,136

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 15 Regent Street, London, SW1Y 4LR. The nature of the company's operations and principal activities is property investment, provision of serviced offices and development management.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the reduced disclosure framework set out in that standard was applied and also in accordance with the Companies Act 2006.

3. Accounting policies

Basis of preparation
The financial statements have been prepared on a going concern basis under the historic cost convention and rounded to the nearest £. The significant accounting policies consistently applied on the preparation of these financial statements are set out below.

Disclosure exemptions
The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Heven Limited which can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No cash flow statement has been presented because the company has taken advantage of the disclosure exemption available under paragraph 1.12 of FRS 102.

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements
No significant judgements were made by management in the process of applying the entities accounting policies.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Investment property valuation
During each accounting year a valuer is engaged to value the investment properties held by the company to ensure they are included at fair value. This valuation will include a degree of estimation based on factors such as the valuer's knowledge of the property market and current economic trends. The carrying amount of investment properties is included in note 13.

Deferred taxation
Management estimation is required to determine the amount of deferred tax that can be recognised, based upon likely timing and level of future taxable profits together with future legislation changes. See note 17 for the carrying amount of the deferred taxation balance.

Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible assets, and note 3 for the depreciation rates used for each class of assets.

Revenue recognition
Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover is recognised by the period in which a tenant has use of a property. The turnover is measured according to the rent stated in the lease or licence agreement.

3. Accounting policies *(continued)*

Taxation
The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Intangible assets
Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation
Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Computer software	-	20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets
Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation
Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property improvements	-	5% - 10% straight line
Fixtures and fittings	-	20% reducing balance or 20% straight line
Motor vehicles	-	25% reducing balance

Investment properties
Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Investments in joint ventures
Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Impairment of fixed assets
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each reporting date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. Accounting policies *(continued)*

Defined contribution plans
Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Rent, licence fees and management fees	6,464,283	7,586,936

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018	2017
	£	£
Amortisation of intangible assets	20,693	16,075
Depreciation of tangible assets	747,417	826,060
Loss/(gains) on disposal of tangible assets	130,958	(7,009)
Impairment of trade debtors	38,399	49,073
Operating lease costs	1,431,164	1,309,409

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	12,000	12,000

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Administration and management	53	52

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	2,836,846	2,401,683
Social security costs	335,965	259,714
Other pension costs	38,007	32,704
	3,210,818	2,694,101

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	813,557	250,099
Company contributions to defined contribution pension plans	4,200	2,400
	817,757	252,499

8. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	813,557	250,099
Company contributions to defined contribution pension plans	4,200	2,400
	817,757	252,499

The number of directors who are accruing benefits under defined contribution pension schemes was one (2017 - one).

9. Interest payable and similar expenses

	2018	2017
	£	£
Other interest payable and similar charges	1,633,405	1,382,853

10. Tax on profit

Major components of tax expense/(income)

	2018	2017
	£	£
Current tax:		
UK current tax expense	1,123,588	136,694
Adjustments in respect of prior periods	261,036	597
Total current tax	1,384,624	137,291
Deferred tax:		
Origination and reversal of timing differences	(374,692)	(274,969)
Tax on profit	1,009,932	(137,678)

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018	2017
	£	£
Profit on ordinary activities before taxation	5,796,970	3,167,250
Profit on ordinary activities by rate of tax	1,101,424	609,696
Adjustment to tax charge in respect of prior periods	261,036	597
Effect of expenses not deductible for tax purposes	23,145	(529,411)
Allowable expenditure not in accounts	(457,960)	(1,962)
Taxable income from joint ventures	189,630	(67,394)
Group relief for losses	(107,343)	(142,278)
Deferred tax on revaluation of investment property	–	(6,926)
Tax on profit	1,009,932	(137,678)

11. Intangible assets

	Computer software £
Cost	
At 1 January 2018	247,246
Additions	717
At 31 December 2018	247,963
Amortisation	
At 1 January 2018	189,991
Charge for the year	20,693
At 31 December 2018	210,684
Carrying amount	
At 31 December 2018	37,279
At 31 December 2017	57,255

12. Tangible assets

	Long leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2018	4,035,305	6,895,263	13,265	10,943,833
Additions	191,031	314,378	–	505,409
Disposals	–	(1,648,252)	(13,265)	(1,661,517)
At 31 December 2018	4,226,336	5,561,389	–	9,787,725
Depreciation				
At 1 January 2018	1,761,557	4,871,402	10,981	6,643,940
Charge for the year	315,974	430,872	571	747,417
Disposals	–	(1,511,091)	(11,552)	(1,522,643)
At 31 December 2018	2,077,531	3,791,183	–	5,868,714
Carrying amount				
At 31 December 2018	2,148,805	1,770,206	–	3,919,011
At 31 December 2017	2,273,748	2,023,861	2,284	4,299,893

13. Investments

	Joint venture undertakings £	Loans to joint ventures £	Investment properties £	Total £
Cost				
At 1 January 2018	330	32,097,894	25,000,000	57,098,224
Additions	–	–	375,112	375,112
Revaluations	–	–	(228,565)	(228,565)
At 31 December 2018	330	32,097,894	25,146,547	57,244,771
Impairment				
At 1 January 2018 and 31 December 2018	–	–	–	–
Carrying amount				
At 31 December 2018	330	32,097,894	25,146,547	57,244,771
At 31 December 2017	330	32,097,894	25,000,000	57,098,224

13. Investments *(continued)*

Investment properties

Investment property valued at £24,900,000 was revalued at open market value by Savills (UK) Limited and by London's Surveyors and Valuers Limited, both members of the Royal Institution of Chartered Surveyors, on 7 September 2018 and 24 September 2018 respectively. The historic cost of investment properties is £23,221,227 (2017 - £22,978,288).

Investments in joint ventures

The company owns a 50% interest in the following LLPs all of which are incorporated in England and Wales: Delahaye LLP, Simca LLP, Laffly LLP, Radior LLP, Janoir LLP and Lutier LLP. All of the LLPs have a principal activity of property investment with the exception of Laffly LLP which has ceased trading.

14. Debtors

	2018	2017
	£	£
Trade debtors	620,322	718,496
Amounts owed by group undertakings	43,330,666	41,422,039
Amounts owed by undertakings in which the company has a participating interest	6,897,216	5,727,010
Deferred tax asset	418,703	44,011
Prepayments and accrued income	261,045	254,186
Other debtors	80,809	68,427
	51,608,761	48,234,169

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	408,010	324,971
Amounts owed to group undertakings	92,989	342,915
Amounts owed to undertakings in which the company has a participating interest	18,708,036	11,650,479
Accruals and deferred income	648,006	1,479,299
Corporation tax	1,342,450	136,694
Social security and other taxes	560,724	342,110
Other creditors	859,614	989,991
	22,619,829	15,266,459

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

16. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Amounts owed to group undertakings	58,564,516	–
Amounts owed to related undertakings	–	68,833,110
	58,564,516	68,833,110

Ocubis Financing Limited became part of the Heven Limited group on 25 July 2018 and amounts owed to related undertakings were reclassified as amounts owed to group undertakings on this date.

This balance is unsecured, attracts interest at 0.5% over the weighted average cost of Ocubis Financing Limited's bank loan and are due for repayment in January 2022.

17. Provisions

	Business rates £
At 1 January 2018	–
Additions	250,000
At 31 December 2018	250,000

A provision has been made for historic business rates that may become payable.

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £	2017 £
Included in debtors (note 14)	418,703	44,011

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Accelerated capital allowances	(122,235)	(156,520)
Fair value adjustment of investment property	(28,760)	(51,143)
Corporate interest restriction	569,698	251,674
	418,703	44,011

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £38,007 (2017: £32,704).

20. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	5	5.00	5	5.00

21. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Other reserves - This reserve is the accumulation of the fair value adjustments to investment property. This is an undistributable reserve.

Profit and loss account - This reserve records retained earnings and accumulated losses.

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	1,387,710	1,380,152
Later than 1 year and not later than 5 years	4,443,456	4,932,760
Later than 5 years	463,750	1,391,250
	6,294,916	7,704,162

23. Contingencies

At the year end the company had given a guarantee in respect of bank borrowing by Ocubis Financing Limited. The maximum liability at the year end under this guarantee was £114 million (2017 - £175 million).

24. Related party transactions

As a wholly owned subsidiary of Heven Limited, the company has taken advantage of the exemption under paragraph 33.1A from the provisions of section 33 of FRS 102, "Related party disclosures" not to disclose transactions with other wholly owned members of the group headed by Heven Limited.

Transactions during the year and balances at the year end with related parties are shown below.

Entities over which the company has control, joint control or significant influence

	2018	2017
	£	£
Rent	978,076	927,500
Income from participating interests	–	4,249,270
Amounts due to joint ventures	21,721,062	11,650,479
Amounts due from joint ventures	813,617	5,727,010
Loans to members	32,097,894	32,097,894

Amounts due to joint ventures and amounts due from joint ventures are unsecured, interest free and repayable on demand.

Loans to members are unsecured, interest free and have no fixed repayment date.

Other related parties

	2018	2017
	£	£
Other debtors	80,659	68,427
Other creditors	–	68,833,110
Interest, non-utilisation and swap fees	921,867	1,382,853
Trade debtors	48,307	–

Other creditors are unsecured, attract interest at 0.5% over the weighted average cost of the borrowings from Ocubis Financing Limited and are due for repayment in January 2022.

Key management personnel

	2018	2017
	£	£
Sale of vehicle proceeds	7,917	–

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £1,527,068 (2017: £811,167).

25. Controlling party

Heven Holdings Limited is the immediate parent company and Heven Limited is the ultimate parent company. The smallest and largest group in which the results of the company are consolidated is Heven Limited, the consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is J M Hunt.