

Flying Tindall Lower 4 Limited

Report and Financial Statements

30 June 2016

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COMPANIES HOUSE

Rees Pollock
Chartered Accountants

COMPANY INFORMATION

Directors D Pasher (resigned 19 December 2016)
V A Tchenguiz (resigned 19 December 2016)
M D Payne
M D Watson (appointed 19 December 2016)

Registered office 5th Floor
Leconfield House
Curzon Street
London
W1J 5JA

Independent auditor Rees Pollock
35 New Bridge Street
London
EC4V 6BW

Registered number 05656317

DIRECTORS' REPORT

For the year ended 30 June 2016

The directors present their report and the audited financial statements for the year ended 30 June 2016.

Principal activities

The principal activity of the company during the year was that of an investment holding company, owning share capital in entities which are ultimately limited partners of Tindall Hotels Limited Partnership ('THLP'). In November 2014 THLP disposed of its investment properties and ceased to operate. At the present time there is no intention for any future activity to be undertaken by THLP. For that reason, as set out in note 1 to the financial statements, the financial statements have not been prepared on a going concern basis.

Directors

The directors who served during the year were:

D Pasher (resigned 19 December 2016)

V A Tchenguiz (resigned 19 December 2016)

M D Payne

Additionally M D Watson was appointed as director on 19 December 2016.

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 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 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 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

Flying Tindall Lower 4 Limited

DIRECTORS' REPORT
For the year ended 30 June 2016

Auditor

Rees Pollock have expressed their willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



M D Payne
Director

Date: 30 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLYING TINDALL LOWER 4 LIMITED

We have audited the financial statements of Flying Tindall Lower 4 Limited for the year ended 30 June 2016, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. As reported in note 1, the financial statements are not prepared on a going concern basis. As such, all amounts have been reclassified as due or payable within one year. Our opinion is not qualified in this report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLYING TINDALL LOWER 4 LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.



Alexander Macpherson (senior statutory auditor)
for and on behalf of
Rees Pollock
Statutory auditor

31 March 2017

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2016

	Note	2016 £	2015 £
EXCEPTIONAL ITEMS			
Other exceptional items	3	170,323,549	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		170,323,549	-
Income from other fixed asset investments		225,136	-
Interest receivable and similar income	2	224,753	490,977
Amounts written off investments		-	(56,011,224)
Interest payable and similar charges		(9,298,987)	(18,866,648)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		161,474,451	(74,386,895)
Tax on profit/(loss) on ordinary activities	4	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		161,474,451	(74,386,895)


The notes on pages 7 to 11 form part of these financial statements.

BALANCE SHEET
as at 30 June 2016

	Note	£	2016 £	£	2015 £
CURRENT ASSETS					
Debtors	6	2		21,120,350	
CREDITORS: amounts falling due within one year	7	-		(176,430,939)	
NET CURRENT ASSETS/(LIABILITIES)			2		(155,310,589)
TOTAL ASSETS LESS CURRENT LIABILITIES			2		(155,310,589)
CAPITAL AND RESERVES					
Called up share capital	9		2		2
Profit and loss account	10		-		(155,310,591)
SHAREHOLDERS' FUNDS/(DEFICIT)	11		2		(155,310,589)

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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


M D Payne
Director
Date: 30 March 2017

The notes on pages 7 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. ACCOUNTING POLICIES

1.1 General information

The company is a private limited company incorporated in the United Kingdom and registered in England and Wales under registration number 05656317. The company's registered office is 5th Floor, Leconfield House, Curzon Street, London, W1J 5JA. The company's principal activity is to act as an investment holding company for entities which are ultimately limited partners in Tindall Hotels Limited Partnership ('THLP').

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Going concern

In November 2014 THLP disposed of its investment property assets and there are no plans for THLP to undertake any future activity. While the company has no exposure to the net liabilities arising in THLP following the disposal of its business, it is now largely redundant and, as such, it would not be appropriate to prepare the accounts on a going concern basis from the date of this disposal. Accordingly the directors have not done so and have reclassified all amounts as due or payable within one year. However, the company is not exposed to any liabilities and the directors have no current intention of formally winding it up. Therefore, no provision has been made for any future winding up costs, although the current expectation is that these would not be material.

1.4 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2. INTEREST RECEIVABLE

	2016 £	2015 £
Interest from related parties	224,753	490,977

3. EXCEPTIONAL ITEMS

	2016 £	2015 £
Forgiveness of intra-group debt (see note 8)	170,323,549	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

4. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit/loss on ordinary activities before tax	161,474,451	(74,386,895)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	32,294,890	(14,877,379)
Effects of:		
Movement in losses available to carry forward	1,769,819	134,097
Expenses not deductible for tax purposes	-	11,202,245
Group relief surrendered	-	3,541,037
Non-taxable intra-group loan waiver	(34,064,709)	-
Current tax charge for the year	-	-

5. INVESTMENTS

	Investments in subsidiary companies £
Fixed asset investments	
Cost	
At 1 July 2015 and 30 June 2016	55,885,659
Impairment	
At 1 July 2015 and 30 June 2016	55,885,659
Net book value	
At 30 June 2016	-
At 30 June 2015	-

Subsidiary undertakings

The following, all of which are incorporated in the UK, were subsidiary undertakings of the company:

Name	Business	Holding	Capital and reserves	
Flying Tindall Lower 2 Ltd	Investment company	100 %	7	38,816,951
Flying Tindall Lower 3 Ltd	Investment company	100 %	2	52,066,001
M C Finance	Investment company	60 %	2	63,653,908

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

6. DEBTORS

	2016	2015
	£	£
Amounts owed by group undertakings	-	1,164,674
Amounts owed by related parties	-	16,335,981
Other debtors	-	3,619,693
Called up share capital not paid	2	2
	<u>2</u>	<u>21,120,350</u>

7. CREDITORS:

Amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group and related undertakings	-	172,301,231
Other creditors	-	4,129,708
	<u>-</u>	<u>176,430,939</u>

8. RELATED PARTY TRANSACTIONS

At 30 June 2015 the company was owed £9,977,551 by Vincos Limited, a related party through one of the company's directors, and £9,978,122 from Sarnia Limited, a related party for similar reasons. A further £224,753 (2015: £490,977) of interest was accrued in respect of these balances in the year ended 30 June 2016. As part of a wider group restructuring in December 2015 these loans and accrued interest, together with an amount due from an investee partnership of £123,215, were converted into interest bearing promissory notes of £20,303,641. Further amounts of £5,028,389 were also received in the form of promissory notes from subsidiaries with the resulting liability forgiven as part of this restructuring, £225,136 received as a dividend in specie from a subsidiary and £9,265 in settlement of other amounts due from subsidiaries.

At 30 June 2015 the company owed £162,200,486 in respect of interest bearing loans advanced by its subsidiary undertakings and the limited partnerships of which they are limited partners. Interest accrued quarterly at either 14% or base rate plus 2%. The loans were due for repayment between April 2014 and April 2020.

During the year ended 30 June 2016 interest of £9,298,987 (2015: £18,866,648) was accrued on these loans. In December 2015 as part of a wider group financial restructuring the vast majority of the loans and accrued interest were written off, including a contra with an amount due from a subsidiary of £1,032,193, resulting in a credit to profit and loss of £165,295,162 and leaving £5,172,118 outstanding.

A portion of the promissory notes noted above were transferred to Flying Tindall Lower 1 Limited, a subsidiary undertaking, in settlement of a non-interest balance due to it of £14,230,453. A further £5,172,118 of the notes were transferred to settle the balance remaining due after the loan waivers noted above. The remaining promissory notes were utilised to make a dividend in specie of £6,163,860.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

9. SHARE CAPITAL

	2016 £	2015 £
Allotted and called up		
2 Ordinary shares of £1 each	2	2

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2016 £	2015 £
Ordinary shares	2	2

10. RESERVES

	Profit and loss account £
At 1 July 2015	(155,310,591)
Profit for the financial year	161,474,451
Dividends: Equity capital	(6,163,860)
At 30 June 2016	-

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2016 £	2015 £
Opening shareholders' deficit	(155,310,589)	(80,923,694)
Profit/(loss) for the financial year	161,474,451	(74,386,895)
Dividends (Note 12)	(6,163,860)	-
Closing shareholders' funds/(deficit)	2	(155,310,589)

12. DIVIDENDS

	2016 £	2015 £
Dividends paid on equity capital	6,163,860	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Flying Tindall Upper Limited, a company registered in Jersey. The company's ultimate parent undertaking is Top Zinc Limited, a company registered in Jersey. There is no ultimate controlling party.