

O&H (Bruton Street) Limited

Report and Financial Statements

Year Ended

28 February 2018

Company Number 05889076

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O&H (Bruton Street) Limited

Company Information

Directors	E A Shahmoon D S Gabbay A Allen P Dee-Shapland A Gabbay D W Lyons
Registered number	05889076
Registered office	25-28 Old Burlington Street London W1S 3AN
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

O&H (Bruton Street) Limited

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O&H (Bruton Street) Limited

Directors' Report For the Year Ended 28 February 2018

The directors present their report and the financial statements for the year ended 28 February 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Principal activity

The company's principal activity is that of property investment.

Results and dividends

The loss for the year, after taxation, amounted to £314,933 (2017 - profit £14,064,636).

Directors

The directors who served during the year were:

E A Shahmoon
D S Gabbay
A Allen
P Dee-Shapland
A Gabbay
D W Lyons

O&H (Bruton Street) Limited

Directors' Report (continued) For the Year Ended 28 February 2018

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.

Post balance sheet events

Material post balance sheet events are disclosed in note 14 of the financial statements.

Auditors

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

Small companies note

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

This report was approved by the board on 26 November 2018 and signed on its behalf.


E A Shahmoon
Director

O&H (Bruton Street) Limited

Independent Auditor's Report to the Members of O&H (Bruton Street) Limited

Opinion

We have audited the financial statements of O&H (Bruton Street) Limited (the "company") for the year ended 28 February 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2018 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 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.

O&H (Bruton Street) Limited

Independent Auditor's Report to the Members of O&H (Bruton Street) Limited (continued)

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

O&H (Bruton Street) Limited

Independent Auditor's Report to the Members of O&H (Bruton Street) Limited (continued)

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 at the Financial Reporting Council's website at: <https://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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Paul Bailey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: *26 November 2018*

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

O&H (Bruton Street) Limited

Statement of Comprehensive Income For the Year Ended 28 February 2018

	Note	2018 £	2017 £
Cost of sales		-	(5,068)
Gross profit/(loss)		<u>-</u>	<u>(5,068)</u>
Administrative expenses		(234,655)	(210,731)
Investment property revaluation (losses)/gains		(501,521)	15,956,623
Operating (loss)/profit	4	<u>(736,176)</u>	<u>15,740,824</u>
Tax on (loss)/profit	6	421,243	(1,676,188)
(Loss)/profit for the financial year		<u>(314,933)</u>	<u>14,064,636</u>
Other comprehensive income for the year			
Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(314,933)</u>	<u>14,064,636</u>

All amounts relate to continuing activities.

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

O&H (Bruton Street) Limited

Registered number: 05889076

Statement of Financial Position As at 28 February 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	7		57,850,000		57,850,000
Investments	8		-		-
			<u>57,850,000</u>		<u>57,850,000</u>
Current assets					
Debtors: amounts falling due within one year	9	490,786		177,014	
Current liabilities					
Creditors: amounts falling due within one year	10	(32,677,367)		(31,627,419)	
Net current liabilities			(32,186,581)		(31,450,405)
Provisions for liabilities					
Deferred tax	11	(1,254,945)		(1,676,188)	
			<u>(1,254,945)</u>		<u>(1,676,188)</u>
Net assets			<u>24,408,474</u>		<u>24,723,407</u>
Capital and reserves					
Called up share capital	12		7,850,001		7,850,001
Revaluation reserve	13		20,597,201		21,098,722
Profit and loss account	13		(4,038,728)		(4,225,316)
			<u>24,408,474</u>		<u>24,723,407</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

26 November 2018.

E A Shahmoon
Director

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

O&H (Bruton Street) Limited

Statement of Changes in Equity For the Year Ended 28 February 2018

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 March 2017	7,850,001	21,098,722	(4,225,316)	24,723,407
Comprehensive income for the year				
Loss for the year	-	-	(314,933)	(314,933)
Total comprehensive income for the year	-	-	(314,933)	(314,933)
Transfer of revaluation loss	-	(501,521)	501,521	-
At 28 February 2018	7,850,001	20,597,201	(4,038,728)	24,408,474

Statement of Changes in Equity For the Year Ended 28 February 2017

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 March 2016	7,850,001	5,142,099	(2,333,329)	10,658,771
Comprehensive income for the year				
Profit for the year	-	-	14,064,636	14,064,636
Total comprehensive income for the year	-	-	14,064,636	14,064,636
Transfer of revaluation gain	-	15,956,623	(15,956,623)	-
At 28 February 2017	7,850,001	21,098,722	(4,225,316)	24,723,407

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

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

1. General information

O&H (Bruton Street) Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The functional currency is sterling and the figures are presented in round pounds.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of O&H Holdings Limited as at 28 February 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

The financial statements have been prepared on a going concern basis which is dependent on the continued support of the ultimate parent company, O&H Holdings Limited. The directors of O&H Holdings Limited have confirmed that the company will continue to provide such support for the foreseeable future.

2.4 Investment property

Investment property is carried at fair value determined annually by the directors with reference to external and internal valuers as appropriate 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.

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

2.7 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

2.8 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.

2.9 Consolidated financial statements

The financial statements contain information about O&H (Bruton Street) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

2.10 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 change 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 tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 7).

Investment properties are valued to fair value annually. The company recognises the property at fair value, defined as the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and seller in an arm's length transaction, through the use of comparable values of similar properties observable in the market. The directors of the company assess the carrying value at each reporting date to ensure that the carrying value is adjusted to fair value.

4. Operating (loss)/profit

Audit and taxation fees are borne by fellow subsidiaries.

5. Employees

The company has no employees (2017 - Nil) other than the directors, who did not receive any remuneration (2017 - £Nil).

6. Taxation

	2018 £	2017 £
Deferred tax		
Revaluation gains	(421,243)	1,676,188
Taxation on (loss)/profit on ordinary activities	<u>(421,243)</u>	<u>1,676,188</u>

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.08% (2017 - 20.00%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	<u>(736,176)</u>	<u>15,740,824</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.08% (2017 - 20.00%)	<u>(140,462)</u>	<u>3,148,165</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	95,690	(3,191,325)
Other timing differences leading to an increase/(decrease) in taxation	-	1,971,986
Adjustments to the opening/closing rate of deferred tax leading to an increase/(decrease) in the tax charge	51,540	(295,798)
Group relief	44,772	43,160
Property revaluation movements	(472,783)	-
Total tax charge for the year	<u><u>(421,243)</u></u>	<u><u>1,676,188</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

7. Tangible fixed assets

	Freehold investment properties £
Valuation	
At 1 March 2017	57,850,000
Additions	501,521
Revaluations	(501,521)
At 28 February 2018	<u>57,850,000</u>
Net book value	
At 28 February 2018	<u><u>57,850,000</u></u>
At 28 February 2017	<u><u>57,850,000</u></u>

The historical cost of investment properties is £37,252,799 (2017 - £36,751,278).

The investment properties were revalued on the basis of fair value at 28 February 2018 by the directors of the company with reference to third party valuations.

On 21 September 2018, as a result of a group restructure, the company sold its property for £57,850,000.

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

8. Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 March 2017	1
Disposals	(1)
At 28 February 2018	-
At 1 March 2017	1
Impairment on disposals	(1)
At 28 February 2018	-
At 28 February 2018	-
At 28 February 2017	-

Subsidiary undertakings

The following was a subsidiary undertakings of the company but was dissolved on 7 March 2017:

Name	Class of share capital held	Proportion of share capital held	Principal activity
Pacetrend	Ordinary	50%	Dissolved 7 March 2017

Pacetrend was a private unlimited company with share capital.

The registered office address of Pacetrend was 25-28 Old Burlington Street, London, W1S 3AN, England.

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

9. Debtors

	2018 £	2017 £
Other debtors	<u>490,786</u>	<u>177,014</u>

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	288	2,844
Amounts owed to group undertakings	<u>32,677,079</u>	<u>31,624,575</u>
	<u>32,677,367</u>	<u>31,627,419</u>

There are no formal arrangements in place for the repayment of amounts owed to group undertakings. Interest is not charged on these balances.

11. Deferred taxation

	2018 £
At beginning of year	1,676,188
Charged to profit or loss	(421,243)
At end of year	<u>1,254,945</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>1,254,945</u>	<u>1,676,188</u>

O&H (Bruton Street) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

12. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
7,850,001 Ordinary shares of £1 each	<u>7,850,001</u>	<u>7,850,001</u>

13. Reserves

Revaluation reserve

The revaluation reserve represents cumulative revaluation movements in the fair value of investment property, gross of any deferred tax impact.

On disposal of a property any cumulative revaluation movements relating to the disposed property which are realised will be transferred to the profit and loss reserve.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments discussed above in relation to the revaluation reserve.

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

14. Post balance sheet events

On 21 September 2018, as part of a group restructure the company sold its property as described in note 7.

15. Controlling party

At 28 February 2018 the company's ultimate parent company was Sherbrooke Holdings Limited, a company registered in the British Virgin Islands. O&H Limited is the parent of the smallest group of which the company is a member.

O&H Holdings Limited is the largest group in which the company is consolidated, copies of the consolidated financial statements of O&H Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

There is no ultimate controlling party of the company.