

REGISTRAR'S COPY

**LOCKSBRIDGE DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**



LOCKSBRIDGE DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors

Mr A R Sheikh
Mr G Dufton
Mr F R Sheikh

Company number

07644493

Registered office

7th Floor Metropolitan House
Darkes Lane
Potters Bar
Hertfordshire
EN6 1AG

Auditor

Moore Stephens Northern Home Counties Limited
Nicholas House
River Front
Enfield
Middlesex
EN1 3FG

LOCKSBRIDGE DEVELOPMENTS LIMITED

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LOCKSBRIDGE DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

Principal activities

The principal activity of the company continued to be that of project management.

Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A R Sheikh
Mr G Dufton
Mr F R Sheikh

Auditor

In accordance with the company's articles, a resolution proposing that Moore Stephens Northern Home Counties Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Statement of disclosure to auditor

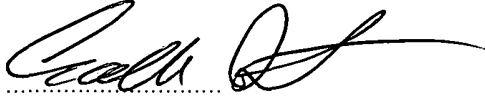
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

LOCKSBRIDGE DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

On behalf of the board



Mr G Dufton

Director

15/12/17

LOCKSBRIDGE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOCKSBRIDGE DEVELOPMENTS LIMITED

We have audited the financial statements of Locksbridge Developments Limited for the year ended 31 March 2017 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

LOCKSBRIDGE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LOCKSBRIDGE DEVELOPMENTS 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 take advantage of small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Francis Corbishley (Senior Statutory Auditor)
for and on behalf of Moore Stephens Northern Home Counties
Limited

20/12/2017

Chartered Accountants
Statutory Auditor

Nicholas House
River Front
Enfield
Middlesex
EN1 3FG

LOCKSBRIDGE DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Revenue	2	152,418	393,893
Gross profit		152,418	393,893
Administrative expenses		(196,298)	(216,209)
Operating (loss)/profit		(43,880)	177,684
Income tax (expense)/income	4	-	18,646
(Loss)/profit and total comprehensive income for the year	10	(43,880)	196,330

The income statement has been prepared on the basis that all operations are continuing operations.

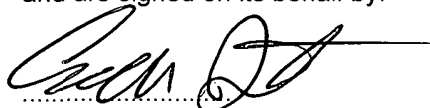
LOCKSBRIDGE DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 £	2016 £
Non-current assets			
Investments	5	1,500,000	26,229
Current assets			
Trade and other receivables	6	26,278	836,651
Cash and cash equivalents		43,396	90,439
		69,674	927,090
Total assets		1,569,674	953,319
Current liabilities			
Trade and other payables	8	715,032	28,568
Net current assets		(645,358)	898,522
Total liabilities		715,032	28,568
Net assets		854,642	924,751
Equity			
Called up share capital	9	1	1
Other reserves		-	26,229
Retained earnings	10	854,641	898,521
Total equity		854,642	924,751

The financial statements were approved by the board of directors and authorised for issue on 15/12/17 and are signed on its behalf by:



Mr G Dufton
Director

Company Registration No. 07644493

LOCKSBRIDGE DEVELOPMENTS LIMITED

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

	Share capital £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2015	1	26,229	702,191	728,421
Year ended 31 March 2016:				
Profit and total comprehensive income for the year	-	-	196,330	196,330
Balance at 31 March 2016	1	26,229	898,521	924,751
Year ended 31 March 2017:				
Loss and total comprehensive income for the year	-	-	(43,880)	(43,880)
Other	-	(26,229)	-	(26,229)
Balance at 31 March 2017	1	-	854,641	854,642

LOCKSBRIDGE DEVELOPMENTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	13		1,452,957		(568,966)
Tax paid			-		(146,488)
Net cash inflow/(outflow) from operating activities			1,452,957		(715,454)
Investing activities					
Purchase of investments		(1,500,000)		-	
Net cash used in investing activities			(1,500,000)		-
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(47,043)		(715,454)
Cash and cash equivalents at beginning of year			90,439		805,893
Cash and cash equivalents at end of year			43,396		90,439

LOCKSBRIDGE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Locksbridge Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor Metropolitan House, Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

LOCKSBRIDGE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.7 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

LOCKSBRIDGE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Revenue

An analysis of the company's revenue is as follows:

	2017 £	2016 £
Revenue analysed by class of business		
Management income	102,418	-
Project management	50,000	393,893
	<u>152,418</u>	<u>393,893</u>

LOCKSBRIDGE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Management	3	3

4 Income tax expense

	2017 £	2016 £
Current tax		
Adjustments in respect of prior periods	-	(18,646)

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2017 £	2016 £
(Loss)/profit before taxation	(43,880)	177,684
Expected tax (credit)/charge based on a corporation tax rate of 20.00%	(8,776)	35,537
Adjustment in respect of prior years	-	(18,646)
Group relief	8,776	(35,537)
Taxation charge/(credit) for the year	-	(18,646)

5 Investments

	Current 2017 £	2016 £	Non-current 2017 £	2016 £
Other investments	-	-	1,500,000	26,229

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

The company's investment relates to an interest in a property in Mortlake, Putney, London.

LOCKSBRIDGE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Trade and other receivables

	Current 2017 £	2016 £
Trade receivables	22,500	174,069
VAT recoverable	3,778	-
Amounts due from fellow group undertakings	-	662,582
	<u>26,278</u>	<u>836,651</u>

7 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

8 Trade and other payables

	Current 2017 £	2016 £
Trade payables	2,302	1,213
Amounts due to fellow group undertakings	692,309	-
Accruals	20,421	5,000
Social security and other taxation	-	22,355
	<u>715,032</u>	<u>28,568</u>

9 Share capital

	2017 £	2016 £
Ordinary share capital		
Authorised		
1 Ordinary of £1 each	<u>1</u>	<u>1</u>
Issued and fully paid		
1 Ordinary of £1 each	<u>1</u>	<u>1</u>

LOCKSBRIDGE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Retained earnings

	2017 £	2016 £
At 1 April 2016	898,521	702,191
Profit for the year	(43,880)	196,330
At 31 March 2017	854,641	898,521

11 Related party transactions

During the year, rent of £47,520 (2016: £41,835) and a management fee of £95,284 (2016: £nil) were paid to Grosvenor (UK) Limited. Further, project and other management fees of £50,000 (2016: £100,000), £52,418 (2016: £173,835) and £50,000 (2016: £nil) were received from Harrow The Hub Investments Limited, Aequitas Estates (Midlands) Limited and Locksbridge Estates (Bushey) Limited respectively. These companies are fellow subsidiaries.

At the balance sheet date, the company was owed respectively £135,308 (2016: £328,805), £nil (2016: £76,000), £nil (2016: £556,105), £195,000 (2016: £nil) and £3,657 (2016: £nil) by the parent company, Sheikh Holdings Group (Investments) Limited, Harrow The Hub Investments Limited, Grosvenor (UK) Limited, Aequitas Estates (Maidstone) Limited and Metropolitan House Investments Limited. These companies are fellow subsidiaries.

At the balance sheet date, the company owed respectively £nil (2016: £262,328), £1,026,274 (2016: £nil) and £nil (2016: £36,000) to Ironville Property Partnership LLP, a partnership which was 98% owned by Lockbridge Developments Limited, Grosvenor (UK) Limited and Buraq Retail Limited.

12 Controlling party

The parent company is Sheikh Holdings Group (Investments) Limited.

13 Cash generated from operations

	2017 £	2016 £
(Loss)/profit for the year after tax	(43,880)	196,330
Adjustments for:		
Taxation charged/(credited)	-	(18,646)
Movement in intercompany balances	1,354,891	(533,009)
Movements in working capital:		
Decrease in trade and other receivables	147,791	174,070
Increase in trade and other payables	5,845	39,571
Cash generated from/(absorbed by) operations	1,452,957	(568,966)