

Company Registration No. 03925670 (England and Wales)

**GREENFOUR LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**

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# GREENFOUR LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B Bourne L Hardie
<b>Secretary</b>	A Davies
<b>Company number</b>	03925670
<b>Registered office</b>	Edelman House 1238 High Road Whetstone London N20 0LH
<b>Auditor</b>	Gerald Edelman 73 Cornhill London EC3V 3QQ
<b>Bankers</b>	Bank of Scotland plc The Mound Edinburgh EH1 1YZ

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# GREENFOUR LIMITED

## CONTENTS

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	Page
Balance sheet	1
Notes to the financial statements	2 - 10

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# GREENFOUR LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		21,939		25,084
Investment properties	5		34,800,000		34,600,000
			<u>34,821,939</u>		<u>34,625,084</u>
<b>Current assets</b>					
Debtors	6	4,678,317		3,668,068	
Cash at bank and in hand		90,361		195,694	
		<u>4,768,678</u>		<u>3,863,762</u>	
<b>Creditors: amounts falling due within one year</b>	7	(733,457)		(516,950)	
<b>Net current assets</b>			<u>4,035,221</u>		<u>3,346,812</u>
<b>Total assets less current liabilities</b>			<u>38,857,160</u>		<u>37,971,896</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(15,409,391)		(15,066,750)
<b>Provisions for liabilities</b>	10		(2,868,984)		(3,518,780)
<b>Net assets</b>			<u><u>20,578,785</u></u>		<u><u>19,386,366</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Other reserves			21,868,675		21,099,889
Profit and loss reserves			(1,289,891)		(1,713,524)
<b>Total equity</b>			<u><u>20,578,785</u></u>		<u><u>19,386,366</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20.09.2017 and are signed on its behalf by:

  
B Bourne  
Director

Company Registration No. 03925670

# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

Greenfour Limited is a private company limited by shares incorporated in England and Wales. The registered office is Edelman House, 1238 High Road, Whetstone, London, N20 0LH.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Happybadge Projects Limited. These consolidated financial statements are available from Companies House.

# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

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

The validity of this assumption is dependent upon the continued support from its immediate parent company and the group's bankers. If the company were unable to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The directors have considered the period ahead and addressed the company's performance in the current economic climate. The company has reported a profit before taxation in 2016. The directors forecast a sustained level of profitability. Although the company does not have any external bank borrowings, the directors have received assurances from its immediate parent company that continued funding will be provided to enable the company to meet its day-to-day commitments. The UK group was successfully refinanced in April 2016 through term facilities expiring in December 2019. The directors believe that the company is well placed to manage its business risks successfully and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

##### 1.3 Turnover

Turnover represents rents receivable and related income, net of value added tax.

Rental income from investment property leased out under an operating lease is recognised in the income statement on a straight line basis over the term of the lease.

Where a rent-free period is included in the lease, the rental income foregone is allocated evenly over the period of the lease term.

##### 1.4 Tangible fixed assets

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

Fixtures and fittings	-20% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

##### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

No depreciation is provided in respect of investment properties applying the fair value model.

Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through the profit and loss account, 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and loan from the immediate parent undertaking that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The notes to the financial statements provide details of the bank finance secured by this company's immediate parent undertaking.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 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.



# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.10 Taxation

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

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing 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 profit and loss account, 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.

Unrelieved tax losses and other deferred tax assets are recognised only 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 balances are not discounted.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 3 Employees

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

2016 Number	2015 Number
1	-
<u>1</u>	<u>-</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	12,853	-
Social security costs	1,214	-
	<u>14,067</u>	<u>-</u>

#### 4 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2016	53,617
Additions	5,388
	<u>59,005</u>
At 31 December 2016	
<b>Depreciation and impairment</b>	
At 1 January 2016	28,533
Depreciation charged in the year	8,533
	<u>37,066</u>
At 31 December 2016	
<b>Carrying amount</b>	
At 31 December 2016	21,939
	<u>25,084</u>
At 31 December 2015	
	<u>25,084</u>

# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 5 Investment property

	2016 £
<b>Fair value</b>	
At 1 January 2016	34,600,000
Additions	114,721
Net gains or losses through fair value adjustments	85,279
At 31 December 2016	<u>34,800,000</u>

Investment property was valued at an open market value of £34.6m in April 2016 by Savills plc, a firm of chartered surveyors. The valuation was carried out on behalf of the group's bankers for lending purposes. The directors are of the opinion that the open market value at the year end is as stated above.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £	2015 £
Cost	9,529,698	9,414,977
Accumulated depreciation	-	-
Carrying amount	<u>9,529,698</u>	<u>9,414,977</u>

### 6 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	129,352	148,482
Other debtors	33,733	-
Prepayments and accrued income	19,582	20,917
	<u>182,667</u>	<u>169,399</u>
<b>Amounts falling due after more than one year:</b>		
Amounts due from group undertakings	4,495,650	3,498,669
<b>Total debtors</b>	<u>4,678,317</u>	<u>3,668,068</u>

# GREENFOUR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

<b>7</b>	<b>Creditors: amounts falling due within one year</b>		<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
	Trade creditors		46,165	41,664
	Other taxation and social security		106,834	106,739
	Other creditors		75,657	69,439
	Accruals and deferred income		504,801	299,108
			<u>733,457</u>	<u>516,950</u>
<b>8</b>	<b>Creditors: amounts falling due after more than one year</b>		<b>2016</b>	<b>2015</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Other borrowings	<b>9</b>	<u>15,409,391</u>	<u>15,066,750</u>
<b>9</b>	<b>Loans and overdrafts</b>		<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
	Loans from group undertakings		<u>15,409,391</u>	<u>15,066,750</u>
	Payable after one year		<u>15,409,391</u>	<u>15,066,750</u>
<p>The company has a long term loan from its immediate parent company, Happybadge Projects Limited, which is linked to term facilities held by that company. The term facilities expire in December 2019. Interest has been recharged to the company by Happybadge Projects Limited, on a quarterly basis, in line with group policy.</p>				
<b>10</b>	<b>Provisions for liabilities</b>		<b>2016</b>	<b>2015</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Deferred tax liabilities		<u>2,868,984</u>	<u>3,518,780</u>
			<u>2,868,984</u>	<u>3,518,780</u>
<b>11</b>	<b>Share capital</b>		<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
	Ordinary share capital Issued and fully paid			
	1 Ordinary of £1 each		<u>1</u>	<u>1</u>

# **GREENFOUR LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **12 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Howard Woolf FCA.

The auditor was Gerald Edelman.

#### **13 Financial commitments, guarantees and contingent liabilities**

The company has provided a guarantee as part of a group corporate guarantee arrangement to secure the loan facilities of its immediate parent company. Following the group re-financing in April 2016, the aggregate amount outstanding under these arrangements at the balance sheet date was £114.31m (2015: £104.15m). Assets of the company with a value of £34.8m (2015: £34.6m) are included within a group total asset figure of £258.15m (2015: £239.17m), that have been included within a composite debenture to provide security to the funders of the immediate parent company.

#### **14 Related party transactions**

The company has taken advantage of the exemption available under FRS102 whereby it has not disclosed transactions with any wholly owned group companies.

#### **15 Controlling party**

##### **Ultimate parent company**

The immediate parent company is Happybadge Projects Limited, a company registered in England and Wales. The ultimate parent company is Zinzendorf Holdings Limited, a company registered at Palm Grove House, PO Box 438 Road Town, Tortola, British Virgin Islands.

Happybadge Projects Limited prepares group financial statements and copies can be obtained from Companies House.

##### **Ultimate controlling party**

During the year, the ultimate controlling party was R A Bourne by virtue of his beneficial interest in the ultimate parent company.