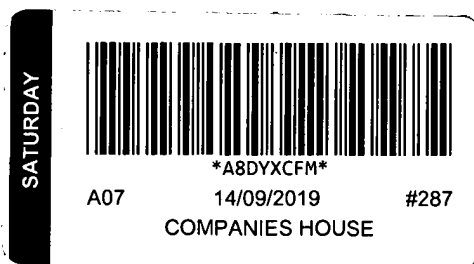


Company Registration No. 03925670 (England and Wales)

GREENFOUR LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR



GREENFOUR LIMITED

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GREENFOUR LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investment properties	4	36,608,000		33,100,000	
Current assets					
Debtors	5	2,812,852		4,601,518	
Cash at bank and in hand		134,542		301,861	
		<u>2,947,394</u>		<u>4,903,379</u>	
Creditors: amounts falling due within one year	6	<u>(8,787,930)</u>		<u>(489,821)</u>	
Net current (liabilities)/assets		<u>(5,840,536)</u>		<u>4,413,558</u>	
Total assets less current liabilities		<u>30,767,464</u>		<u>37,513,558</u>	
Creditors: amounts falling due after more than one year	7	(11,021,410)		(15,550,472)	
Provisions for liabilities	9	<u>(2,265,190)</u>		<u>(2,642,351)</u>	
Net assets		<u><u>17,480,864</u></u>		<u><u>19,320,735</u></u>	
Capital and reserves					
Called up share capital	11		1		1
Other reserves		18,626,350		20,313,629	
Profit and loss reserves		<u>(1,145,487)</u>		<u>(992,895)</u>	
Total equity		<u><u>17,480,864</u></u>		<u><u>19,320,735</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 prepared and 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 6/9/2019 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 2018

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, London, N20 0LH. The trading address is 126 Cornwall Road, London, SE1 8TQ.

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 investment properties 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 2018

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 financiers. 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 loss before taxation and fair value adjustments in 2018. However, the directors forecast a return to profitability in 2019 and beyond. 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 December 2018 with a 10 year term facility, expiring in December 2028. 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 properties leased out under an operating lease is recognised in the profit and loss account 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 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are 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 properties are accounted for as tangible fixed assets.

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 properties are sold.

1.5 Cash at bank and in hand

Cash at bank and in hand 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.

GREENFOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 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.

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.

GREENFOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade creditors, loans from the immediate parent undertaking and other creditors, 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 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.

1.7 Equity instruments

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

1.8 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.

GREENFOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.9 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment properties

The company's investment properties, which are properties held to earn rentals and/or capital appreciation, are measured using the fair value model and stated at their fair value as at the reporting date. The directors have used their experience of the property market and with reference to formal advice from suitably qualified chartered surveyors and market evidence of transaction prices of similar properties, have assessed an appropriate value as at the reporting date, which they feel is reliable and on a conservative basis.

Bad debt provision

The directors have considered the bad debt provision by considering the financial situation of each tenant in each property. The directors make decisions on a case by case basis in assessing individual debtor recoverability, only providing against potential bad debts when a tenant is evidently under severe financial stress or where the directors' opinion is that recoverability is doubtful.

GREENFOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3 Employees

The average monthly number of persons employed by the company during the year was:

	2018 Number	2017 Number
Staff	1	1

4 Investment property

	2018 £
Fair value	
At 1 January 2018	33,100,000
Additions	5,496,334
Net gains or losses through fair value adjustments	(1,988,334)
At 31 December 2018	36,608,000

The investment properties were valued at an open market value of £36.6m in December 2018 by the directors who are of the opinion that the open market value at the year end is as stated above. No depreciation is provided in respect of these properties.

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

	2018 £	2017 £
Cost	15,318,659	9,822,325
Accumulated depreciation	-	-
Carrying amount	15,318,659	9,822,325

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	212,888	56,943
Other debtors	1,073,381	206,715
Prepayments and accrued income	346,923	190,465
	1,633,192	454,123

GREENFOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Debtors		(Continued)	
		2018 £	2017 £
Amounts falling due after more than one year:			
Amounts owed by group undertakings		1,179,660	4,147,395
		<u> </u>	<u> </u>
Total debtors		<u>2,812,852</u>	<u>4,601,518</u>
6 Creditors: amounts falling due within one year			
		2018 £	2017 £
Trade creditors		48,460	95,141
Other taxation and social security		-	8,561
Other creditors		8,122,776	75,351
Accruals and deferred income		616,694	310,768
		<u>8,787,930</u>	<u>489,821</u>
7 Creditors: amounts falling due after more than one year			
	Notes	2018 £	2017 £
Other borrowings	8	11,021,410	15,550,472
		<u> </u>	<u> </u>
8 Loans and overdrafts			
		2018 £	2017 £
Loans from group undertakings		11,021,410	15,550,472
		<u> </u>	<u> </u>
Payable after one year		11,021,410	15,550,472
		<u> </u>	<u> </u>
9 Provisions for liabilities			
	Notes	2018 £	2017 £
Deferred tax liabilities	10	2,265,190	2,642,351
		<u> </u>	<u> </u>

The company has a long term loan from its immediate parent company, Happybadge Projects Limited, which is linked to a term facility held by that company. The term facility expires in December 2028. Interest has been recharged to the company by Happybadge Projects Limited, on a quarterly basis, in line with group policy.

GREENFOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	(27,706)	(10,632)
Tax losses	(369,403)	(311,063)
Revaluations	2,662,299	2,964,046
	<u>2,265,190</u>	<u>2,642,351</u>
Movements in the year:		2018 £
Liability at 1 January 2018		2,642,351
Credit to profit or loss		(377,161)
Liability at 31 December 2018		<u>2,265,190</u>

11 Share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
1 Ordinary of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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.

GREENFOUR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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 facility of its immediate parent company. Following the group re-financing in December 2018, the aggregate amount outstanding under these arrangements at the balance sheet date was £132m (2017: £115.36m). Assets of the company with a value of £36.6m (2017: £33.1m) are included within a group total asset figure of £303.13m (2017: £262.53m), that have been included within a composite debenture to provide security to the funders of the immediate parent company.

14 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease receipts:

	2018 £	2017 £
Within one year	1,024,930	929,737
Between two and five years	2,740,525	2,034,088
In over five years	5,438,619	801,370
	<u>9,204,074</u>	<u>3,765,195</u>

15 Related party transactions

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

16 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.