

**Hanover Street Edinburgh PropCo
Limited**
(formerly Avanta Properties No 2 Limited)

REPORT AND FINANCIAL STATEMENTS

For the year ended
31 March 2013

UNAUDITED



Company Registration No 6406288

Hanover Street Edinburgh PropCo Limited

DIRECTORS, OFFICERS AND ADVISORS

DIRECTORS

RWM Brook
DAV Alberto
AD Pepper
DJ Kinnaird

COMPANY SECRETARY

P Alexander
RBS Nominees Limited

REGISTERED OFFICE

1 Lyric Square
London
W6 ONB

Hanover Street Edinburgh PropCo Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Hanover Street Edinburgh PropCo Limited for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property letting

REVIEW OF THE BUSINESS

The directors are satisfied with the result for the year and financial position of the company at the year end

GOING CONCERN

The accounts are prepared on a going concern basis, the validity of which depends on the continuing financial support of the parent company and the company's bankers. The directors have not received formal confirmation of continued support. However the directors consider that this support will continue, and enable the provision of sufficient working capital since, taken as a whole, the company's worth will be enhanced by its continuing activities. Should this support be withdrawn the directors consider that the financial statements would not be materially different if drawn up on a break-up basis.

DIVIDENDS

The directors do not recommend the payment of a dividend (2012 £nil)

DIRECTORS

The following directors held office during the year

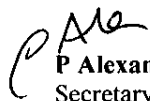
RWM Brook

DAV Alberto

AD Pepper

DJ Kinnaird

By order of the board



P Alexander
Secretary

13

January 2014

Hanover Street Edinburgh PropCo Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hanover Street Edinburgh PropCo Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2013

	Note	2013 £	2012 £
TURNOVER	1	111,280	109,728
Cost of sales		-	-
GROSS PROFIT		111,280	109,728
Administrative expenses		(8,924)	(16,270)
OPERATING PROFIT		102,356	93,458
Exceptional item	3	-	(950,000)
Interest payable	5	(50,625)	(57,438)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	51,731	(913,980)
Taxation	6	(7,713)	(10,130)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAX	12	44,018	(924,110)

The operating profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

Hanover Street Edinburgh PropCo Limited

BALANCE SHEET

As at 31 March 2013

Company Registration No: 6406288

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	1,100,000	1,100,000
CURRENT ASSETS			
Debtors	8	127,404	88,908
Cash at bank and in hand		73,900	55,096
		<u>201,304</u>	<u>144,004</u>
Creditors Amounts falling due within one year	9	(2,866,059)	(2,857,474)
NET CURRENT LIABILITIES		<u>(2,664,755)</u>	<u>(2,713,470)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,564,755)</u>	<u>(1,613,470)</u>
PROVISIONS FOR LIABILITIES	10	(36,956)	(32,259)
NET LIABILITIES		<u>(1,601,711)</u>	<u>(1,645,729)</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	(1,601,712)	(1,645,730)
EQUITY SHAREHOLDER'S FUNDS	13	<u>(1,601,711)</u>	<u>(1,645,729)</u>

For the year ended 31 March 2013 the company was entitled to exemption from audit under section 480 of the Companies Act 2006

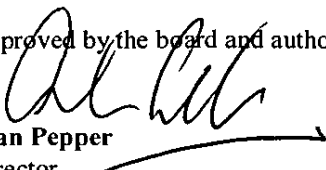
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

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

Approved by the board and authorised for issue on

13 January 2014


Alan Pepper
Director

Hanover Street Edinburgh PropCo Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties

GOING CONCERN

The accounts are prepared on a going concern basis, the validity of which depends on the continuing financial support of the parent company and the company's bankers. The directors have not received formal confirmation of continued support. However the directors consider that this support will continue, and enable the provision of sufficient working capital since, taken as a whole, the company's worth will be enhanced by its continuing activities. Should this support be withdrawn the directors consider that the financial statements would not be materially different if drawn up on a break-up basis.

TURNOVER

Turnover represents rent receivable and income from the provision of other services in the year.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19, "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on lease), but should be shown at open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

Included in the carrying value of the investment property is capitalised interest of £69,044 (2012 £69,044)

Hanover Street Edinburgh PropCo Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1 TURNOVER

The company's turnover and loss on ordinary activities before taxation was made in the United Kingdom

2 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2013	2012
	£	£
Profit / (Loss) on ordinary activities before taxation is stated after charging		
Auditors Remuneration	4,440	4,440
- Statutory audit		
- Tax compliance	1,488	1,488

3 EXCEPTIONAL ITEM

	2013	2012
	£	£
Decrease on valuation of investment property	-	950,000

The investment property has been valued at £1,100,000 which has the effect on decreasing the value in 2012 by £950,000 (see note 7)

4 EMPLOYEES

No director received any remuneration from the company during the year Apart from the directors of the company, there were no other employees of the company

5 INTEREST PAYABLE

	2013	2012
	£	£
Bank interest payable	(50,625)	(57,438)

6 TAXATION

	2013	2012
	£	£
Current Tax		
UK Corporation tax on loss in the period	6,251	3,333
Adjustments in respect of previous years	(3,235)	-
Total Current Tax	3,016	3,333

Deferred Taxation

Origination and reversal of timing differences	6,041	6,866
Effect of changed tax rates on opening position	(1,344)	(1,959)
Adjustment in respect of prior periods		1,890
Total deferred tax	4,697	6,797

Tax on profit / (loss) on ordinary activities	7,713	10,130
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Hanover Street Edinburgh PropCo Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

6 TAXATION (continued)	2013	2012
	£	£
Factors affecting tax charge for the period		
The tax assessed for the period is higher than the standard rate of corporation tax in the UK The differences are explained below		
Profit / (Loss) on ordinary activities before tax	51,731	(913,980)
Profit / (Loss) on ordinary activities multiplied by standard rate or corporation tax in the UK of 24% (2012 26%)	12,415	(237,635)
Effects of		
Group relief not paid for	690	4,206
Capital allowances in excess of depreciation	(6,304)	237,515
Tax losses utilised		-
Other timing differences		(753)
Marginal rate relief	(550)	-
Adjustments in respect of previous years	(3,235)	-
Tax charge for the period	3,016	3,333

7 TANGIBLE FIXED ASSETS	Investment Property
	£
Valuation	
1 April 2012	1,100,000
Revaluation	-
Additions	-
31 March 2013	1,100,000

The historical cost of the revalued freehold property is £2,787,729 (2012 £2,787,729) The property is revalued every 5 years, which the directors consider necessary in order to show a true and fair view No depreciation is provided in respect of investment properties The last professional valuation of the investment property was made on 25 June 2010 by Colliers CRE, Chartered Surveyors, on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors The valuation has been completed by the directors, which has the effect of decreasing net assets by £nil (2012 £950,000)

8 DEBTORS	2013	2012
	£	£
Other debtors	29,404	30,188
Prepayments and accrued income	98,000	58,720
	127,404	88,908

Hanover Street Edinburgh PropCo Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

9 CREDITORS: Amounts falling due within one year	2013	2012
	£	£
Bank loan	2,200,000	2,200,000
Trade creditors	-	194
Amounts owed to group undertakings	643,400	639,674
Other tax and social security	4,373	4,298
Other creditors	14,691	8,974
Accruals and deferred income	3,595	4,334
	<u>2,866,059</u>	<u>2,857,474</u>

At the balance sheet date the loan was repayable on 31 March 2012. The bank loan is now repayable on demand. Interest is payable at a rate of LIBOR plus 1.75% per annum.

The loan is secured on the property owned by the company. In addition, the company's fellow subsidiary, Avanta Properties (Heathrow) Limited has provided a guarantee to the bank in respect of the loan.

10 PROVISIONS FOR LIABILITIES	2013	2012
	£	£
Deferred Tax		
1 April	32,259	25,462
Charged to the profit and loss Account	4,697	6,797
31 March	<u>36,956</u>	<u>32,259</u>

The above provision relates to accelerated capital allowances.

11 SHARE CAPITAL	2013	2012
	£	£
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

12 PROFIT AND LOSS ACCOUNT	2013	2012
	£	£
1 April	(1,645,730)	(721,620)
Profit / (Loss) for the financial year	44,018	(924,110)
31 March	<u>(1,601,712)</u>	<u>(1,645,730)</u>

Hanover Street Edinburgh PropCo Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS	2013	2012
	£	£
Profit / (Loss) for the financial year	44,018	(924,110)
Opening shareholder's funds	(1,645,729)	(721,619)
Closing shareholder's funds	<u>(1,601,711)</u>	<u>(1,645,729)</u>

14 IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent company is Beadon Investments Limited (formerly Avanta Group Limited), a company incorporated in England and Wales. The ultimate parent company is Avanta Nominees Limited, a company incorporated in England and Wales.

15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 100% of whose voting rights are controlled within the group.

16 CONTROL

The company is part of the group controlled by David Alberto.

Hanover Street Edinburgh PropCo Limited
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2013

	2013 £	2012 £
TURNOVER		
Rent Receivable	111,280	109,728
	111,280	109,728
EXPENDITURE		
Legal Fees	2,875	10,273
Auditors Remuneration	4,440	4,440
Tax Fees	1,488	1,488
Bank Charges	121	69
	<u>(8,924)</u>	<u>(16,270)</u>
OPERATING PROFIT	102,356	93,458
Impairment of tangible fixed asset	-	(950,000)
FINANCE COSTS		
Bank Interest	50,625	57,438
	<u>(50,625)</u>	<u>(57,438)</u>
NET PROFIT / (LOSS) BEFORE TAX	<u>51,731</u>	<u>(913,980)</u>

This page does not form part of the financial statements