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**PRINCESGATE VENTURES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**



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**PRINCESGATE VENTURES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	T Shasha R Shasha
<b>Company secretary</b>	D A Glinert
<b>Registered number</b>	03748891
<b>Registered office</b>	1 Princes Gate London SW7 1QJ
<b>Independent auditor</b>	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

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**PRINCESGATE VENTURES LIMITED**

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## PRINCESGATE VENTURES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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The directors present their report and the financial statements for the year ended 30 September 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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.

#### **Directors**

The directors who served during the year were:

T Shasha  
R Shasha

#### **Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

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**PRINCESGATE VENTURES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**Auditor**

The auditor, Crowe U.K. 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 13 June 2019 and signed on its behalf.



**T Shasha**  
Director

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## PRINCESGATE VENTURES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRINCESGATE VENTURES LIMITED

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#### Opinion

We have audited the financial statements of Princesgate Ventures Limited (the 'company') for the year ended 30 September 2018, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, 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 30 September 2018 and of its profit 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 United Kingdom, including the Financial Reporting Council'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.

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## PRINCESGATE VENTURES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRINCESGATE VENTURES LIMITED (CONTINUED)

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#### 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.

#### Opinion 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.

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## PRINCESGATE VENTURES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRINCESGATE VENTURES LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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 on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



**Stacy Eden** (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

13 June 2019



PRINCESGATE VENTURES LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Turnover		999,255	744,774
<b>Gross profit</b>		<b>999,255</b>	<b>744,774</b>
Administrative expenses		(100,440)	(88,200)
Other operating income		648	30,163
Fair value movements		624,380	-
<b>Operating profit</b>		<b>1,523,843</b>	<b>686,737</b>
Interest receivable and similar income		613	735
Interest payable and expenses		(398,931)	(369,791)
<b>Profit before tax</b>		<b>1,125,525</b>	<b>317,681</b>
Tax on profit		(140,938)	(21,089)
<b>Profit for the financial year</b>		<b>984,587</b>	<b>296,592</b>

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 8 to 14 form part of these financial statements.

**PRINCESGATE VENTURES LIMITED**  
**REGISTERED NUMBER: 03748891**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	5	100	100
Investment property	6	21,495,001	19,163,612
		<u>21,495,101</u>	<u>19,163,712</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	100,114	161,100
Bank & cash balances		2,252,100	2,080,884
		<u>2,352,214</u>	<u>2,241,984</u>
Creditors: amounts falling due within one year	8	(2,052,064)	(2,953,787)
<b>Net current assets/(liabilities)</b>		<u>300,150</u>	<u>(711,803)</u>
<b>Total assets less current liabilities</b>		<u>21,795,251</u>	<u>18,451,909</u>
Creditors: amounts falling due after more than one year	9	(12,143,869)	(9,589,971)
<b>Provisions for liabilities</b>			
Deferred tax		(652,091)	(607,239)
<b>Net assets</b>		<u><u>8,999,291</u></u>	<u><u>8,254,699</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Revaluation reserve		6,359,982	5,514,291
Profit and loss account		2,639,209	2,740,308
		<u><u>8,999,291</u></u>	<u><u>8,254,699</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2019.



**T Shasha**  
Director

The notes on pages 8 to 14 form part of these financial statements.

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## PRINCESGATE VENTURES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 1. General information

Princesgate Ventures Limited is a private limited company (limited by shares) incorporated in England and Wales (registration number 03748891).

The principal activity of the company is that of property investment.

The address of the registered office is 1 Princes Gate, London, SW7 1QJ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

##### 2.3 Turnover

Turnover represents rent receivable under operating leases. Rental income is recognised as it falls due.

##### 2.4 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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## PRINCESGATE VENTURES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.5 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 charge 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

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.

##### 2.6 Investment properties

Investment property is carried at fair value determined annually by the directors having regards to reports produced by external valuers 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.

##### 2.7 Fixed asset investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 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.

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## PRINCESGATE VENTURES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

##### 2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

##### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 - 2).

#### 4. Dividends

	2018 £	2017 £
Dividends paid on equity capital	<u>240,000</u>	<u>320,000</u>

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PRINCESGATE VENTURES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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5. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 October 2017	100
At 30 September 2018	<u>100</u>
<b>Net book value</b>	
At 30 September 2018	<u>100</u>
At 30 September 2017	<u>100</u>

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**PRINCESGATE VENTURES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**6. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 October 2017	19,163,612
Additions at cost	1,707,009
Surplus on revaluation	624,380
<b>At 30 September 2018</b>	<b><u>21,495,001</u></b>
<b>Comprising</b>	
Cost	13,481,510
Revaluation surplus brought forward 2018	7,389,111 624,380
<b>At 30 September 2018</b>	<b><u>21,495,001</u></b>

The freehold properties held by the company have been valued as at 30 September 2018 by the directors on the basis of open market value, with reference to external valuations performed by Cushman & Wakefield LLP, Chartered Surveyors. The directors consider this to be the best estimate of their open market value.

The provision has been made for the potential tax liability of approximately £697,519 (2017: £598,209) arising on the difference between the revalued amounts as at 30 September 2018 and the original costs after allowing for the indexation allowances of the investment properties.

**7. Debtors**

	<b>2018 £</b>	<b>2017 £</b>
Other debtors	<b><u>100,114</u></b>	<b><u>161,100</u></b>

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PRINCESGATE VENTURES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans (secured)	246,084	214,332
Amounts owed to group undertakings	1,125,000	1,060,000
Corporation tax	96,136	62,827
Other taxation and social security	20,175	24,546
Other creditors	354,900	1,383,100
Accruals and deferred income	209,769	208,982
	<u>2,052,064</u>	<u>2,953,787</u>

9. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Other loans (secured)	<u>12,143,869</u>	<u>9,589,971</u>

The loans are secured by a fixed charge over the investment property and a floating charge over the remaining assets of the company.

Creditors include the following amounts falling due after more than 5 years: £8,208,763 (2017: £5,689,907).



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PRINCESGATE VENTURES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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**10. Deferred taxation**

	2018 £
At beginning of year	(607,239)
Charged to profit or loss	(44,852)
<b>At end of year</b>	<b>(652,091)</b>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(9,078)	(9,030)
Deferred tax on investment property	(643,013)	(598,209)

**11. Related party transactions**

Included within other creditors falling due within one year are amounts of £Nil (2017: £1,000,000) due to A Howard, a shareholder of the company. This amount does not bear interest.

Included within creditors due within one year is an amount of £1,125,000 (2017: £1,060,000) due to Princesgate (Fulham) Limited, a subsidiary undertaking. This amount does not bear interest.

**12. Controlling party**

The company is a joint venture between Princesgate Investments Limited and A Howard who each own 50% of the company's issued capital.

Princesgate Investments Limited prepares consolidated accounts which are publicly available and this is the smallest and largest group for which consolidated accounts are prepared. Princesgate Investments Limited's audited accounts are available from 1 Princes Gate, London, SW7 1QJ.

There is no ultimate controlling party of the company.