

O&H (Four) Limited

Report and Financial Statements

Year Ended

28 February 2018

Company Number 05715467



O&H (Four) Limited

Company Information

Directors	D S Gabbay E A Shahmoon P Dee-Shapland D W Lyons A Allen
Registered number	05715467
Registered office	25-28 Old Burlington Street London W1S 3AN
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

O&H (Four) Limited

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O&H (Four) Limited

Directors' Report For the Year Ended 28 February 2018

The directors present their report and the financial statements for the year ended 28 February 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). 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 and then apply them consistently;
- make judgements 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.

Principal activity

The company's principal activity is that of property investment.

Results and dividends

The profit for the year, after taxation, amounted to £2,148,064 (2017 - £9,812,072).

Directors

The directors who served during the year were:

D S Gabbay
E A Shahmoon
P Dee-Shapland
D W Lyons
A Allen

O&H (Four) Limited

Directors' Report (continued) For the Year Ended 28 February 2018

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

Material post balance sheet events are disclosed in note 18 of the financial statements.

Auditors

The auditors, BDO 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 475A of the Companies Act 2006.

This report was approved by the board on 26 November 2018 and signed on its behalf.


E A Shahmoon
Director

O&H (Four) Limited

Independent Auditor's Report to the Members of O&H (Four) Limited

Opinion

We have audited the financial statements of O&H (Four) Limited (the "company") for the year ended 28 February 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, 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 28 February 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 UK, including the FRC'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.

O&H (Four) Limited

Independent Auditor's Report to the Members of O&H (Four) Limited (continued)

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.

Opinions 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.

O&H (Four) Limited

Independent Auditor's Report to the Members of O&H (Four) Limited (continued)

Responsibilities of directors

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, 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 at the Financial Reporting Council's website at: <https://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.

BDO LLP

Paul Bailey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 26 November 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

O&H (Four) Limited

Statement of Comprehensive Income For the Year Ended 28 February 2018

	Note	2018 £	2017 £
Turnover	4	2,449,194	2,377,300
Cost of sales		(219,595)	(332,775)
Gross profit		2,229,599	2,044,525
Administrative expenses		(511,037)	(483,892)
Investment property revaluation gains		1,701,849	11,773,915
Profit on disposal of investment property		-	725,550
Operating profit	5	3,420,411	14,060,098
Interest payable and expenses	7	(818,816)	(986,776)
Profit before tax		2,601,595	13,073,322
Tax on profit	8	(453,531)	(3,261,250)
Profit for the financial year		2,148,064	9,812,072
Other comprehensive income for the year			
Other comprehensive income		-	-
		-	-
Total comprehensive income for the year		2,148,064	9,812,072

All amounts relate to continuing activities.

The notes on pages 9 to 19 form part of these financial statements.

O&H (Four) Limited
Registered number: 05715467

Statement of Financial Position
As at 28 February 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		60,587,914		58,826,082
Current assets					
Debtors: amounts falling due within one year	11	1,166,289		1,069,787	
Cash at bank and in hand		989		41	
		<u>1,167,278</u>		<u>1,069,828</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	(7,181,096)		(7,793,883)	
Net current liabilities			<u>(6,013,818)</u>		<u>(6,724,055)</u>
Total assets less current liabilities			<u>54,574,096</u>		<u>52,102,027</u>
Creditors: amounts falling due after more than one year	13		(27,129,885)		(27,095,398)
Provisions for liabilities					
Deferred tax	14		(4,729,848)		(4,440,330)
Net assets			<u>22,714,363</u>		<u>20,566,299</u>
Capital and reserves					
Called up share capital	15		1,500,001		1,500,001
Revaluation reserve	16		21,222,413		19,520,564
Profit and loss account	16		(8,051)		(454,266)
			<u>22,714,363</u>		<u>20,566,299</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 November 2018.

E A Shahmoon
Director

The notes on pages 9 to 19 form part of these financial statements.

O&H (Four) Limited

Statement of Changes in Equity For the Year Ended 28 February 2018

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 March 2017	1,500,001	19,520,564	(454,266)	20,566,299
Comprehensive income for the year				
Profit for the year	-	-	2,148,064	2,148,064
Total comprehensive income for the year	-	-	2,148,064	2,148,064
Transfer of revaluation gain	-	1,701,849	(1,701,849)	-
At 28 February 2018	1,500,001	21,222,413	(8,051)	22,714,363

Statement of Changes in Equity For the Year Ended 28 February 2017

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 March 2016	1,500,001	8,061,649	1,192,577	10,754,227
Comprehensive income for the year				
Profit for the year	-	-	9,812,072	9,812,072
Total comprehensive income for the year	-	-	9,812,072	9,812,072
Transfer of revaluation gain	-	11,773,915	(11,773,915)	-
Realisation of profit on property disposal	-	(315,000)	315,000	-
At 28 February 2017	1,500,001	19,520,564	(454,266)	20,566,299

The notes on pages 9 to 19 form part of these financial statements.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

1. General information

O&H (Four) Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The functional currency is sterling and the figures are presented in round pounds.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of O&H Holdings Limited as at 28 February 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

The financial statements have been prepared on a going concern basis which is dependent on the continued support of the ultimate parent company, O&H Holdings Limited. The directors of O&H Holdings Limited have confirmed that the company will continue to provide such support for the foreseeable future.

2.4 Turnover

Turnover represents rental income arising from the letting of properties and related activities less value added tax. Turnover is recognised on an accruals basis.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

2. Accounting policies (continued)

2.5 Investment property

Investment property is carried at fair value determined annually by the directors with reference to external and internal valuers as appropriate 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.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

2.8 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

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.

2.10 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.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

2. Accounting policies (continued)

2.11 Rental income

Rental income represents rent receivable from the letting of property in the United Kingdom.

Benefits to lessees in the form of rent free periods are treated as a reduction in the overall return of the lease and in accordance with section 20 of FRS 102, are recognised on a straight line basis over the lease. Capital contributions paid to tenants are shown as a debtor and amortised over the period of the lease.

However, the company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 March 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of the lease.

The valuation of investment properties is reduced by all lease incentives.

Upon the disposal of an investment property, any unamortised lease incentives are deducted from rents receivables, unless they are of a capital nature, in which case they are included in the calculation of the profit or loss arising on the disposal.

2.12 Leased assets: the company as lessor

Where assets leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they had been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum leases payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Incentive payments to new tenants to occupy the company's investment properties are treated as a reduction in revenue and initially recorded as prepayments. The prepayments are charged to profit or loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at fair value less the amount of the unamortised incentive.

However, the company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 March 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis over the term of the lease.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

2. Accounting policies (continued)

2.13 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 change 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 tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 9)

Investment properties are valued to fair value annually. The company recognises the property at fair value, defined as the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and seller in an arm's length transaction, through the use of comparable values of similar properties observable in the market. The directors of the company assess the carrying value at each reporting date to ensure that its carrying value is adjusted to fair value.

4. Turnover

All turnover arose within the United Kingdom.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

5. Operating profit

Audit and taxation fees are borne by fellow subsidiaries.

6. Employees

The company has no employees (2017 - Nil) other than the directors, who did not receive any remuneration (2017 - £Nil).

7. Interest payable and similar expenses

	2018 £	2017 £
Bank loans	781,826	667,624
Swap interest paid	-	74,814
(Gains) from swap derivative movements	-	(4,554)
Finance charges	34,487	248,892
Other interest payable	2,503	-
	<u>818,816</u>	<u>986,776</u>

8. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	171,208	7,195
Adjustments in respect of previous periods	(7,195)	(65,366)
Total current tax	<u>164,013</u>	<u>(58,171)</u>
Deferred tax		
Origination and reversal of timing differences	<u>289,518</u>	<u>3,319,421</u>
Taxation on profit on ordinary activities	<u>453,531</u>	<u>3,261,250</u>

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19.08% (2017 - 20.00%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>2,601,595</u>	<u>13,073,322</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.08% (2017 - 20.00%)	496,384	2,614,664
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	(2,461,616)
Capital allowances for year in excess of depreciation	-	(145,110)
Adjustments to tax charge in respect of prior periods	(7,195)	(65,366)
Other timing differences leading to an increase/(decrease) in taxation	-	3,977,720
Non-taxable income	(324,596)	-
Adjustments to the opening/closing rate of deferred tax leading to an increase/(decrease) in the tax charge	(35,422)	(659,042)
Property revaluation movements	324,360	-
Total tax charge for the year	<u><u>453,531</u></u>	<u><u>3,261,250</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

9. Tangible fixed assets

	Long leasehold investment property £
Valuation	
At 1 March 2017	58,826,082
Additions	59,983
Revaluations	1,701,849
At 28 February 2018	<u>60,587,914</u>
Net book value	
At 28 February 2018	<u>60,507,914</u>
At 28 February 2017	<u>58,826,082</u>

The historical cost of the investment property is £39,365,501 (2017 - £39,305,518).

The investment property was revalued on the basis of fair value at 28 February 2018 by the directors of the company, with reference to third party valuation reports.

When conducting the property valuations, consideration of lease incentives is given. For details of this see note 10.

On 21 September 2018, as a result of a group restructure, the company sold its properties for £60,690,000.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

10. Investment property

	Cost £	Difference in value £	Fair value £	Lease incentives £	Carrying value £
At 1 March 2016	41,716,660	8,308,340	50,025,000	(246,691)	49,778,309
Additions	48,308	-	48,308	-	48,308
Disposals	(2,459,450)	(315,000)	(2,774,450)	-	(2,774,450)
Movement on lease incentives	-	(82,773)	(82,773)	82,773	-
Increase in fair value	-	11,773,915	11,773,915	-	11,773,915
At 28 February 2017	39,305,518	19,684,482	58,990,000	(163,918)	58,826,082
Additions	59,983	-	59,983	-	59,983
Disposals	-	-	-	-	-
Movement on lease incentives	-	(61,832)	(61,832)	61,832	-
Increase in fair value	-	1,701,849	1,701,849	-	1,701,849
At 28 February 2018	39,365,501	21,324,499	60,690,000	(102,086)	60,587,914

11. Debtors

	2018 £	2017 £
Other debtors	1,064,148	905,814
Prepayments and accrued income	55	55
Lease incentives	102,086	163,918
	1,166,289	1,069,787

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	104,171	46,417
Amounts owed to group undertakings	5,664,613	6,456,338
Corporation tax	171,208	124,236
Other taxation and social security	72,251	76,736
Other creditors	874,663	848,851
Accruals and deferred income	294,190	241,305
	<u>7,181,096</u>	<u>7,793,883</u>

There are no formal arrangements in place for the repayment of amounts owed to group undertakings. Interest is not charged on these balances.

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

	2018 £	2017 £
Bank loans (secured)	<u>27,129,885</u>	<u>27,095,398</u>
Maturity of debt:		
	2018 £	2017 £
In more than two years but not more than five years	135,164	87,550
In more than five years	26,994,721	27,007,848
	<u>27,129,885</u>	<u>27,095,398</u>

On 28 October 2016 the company in conjunction with O&H Walton Limited, O&H (Grafton Street) Limited, O&H (Queen's Gate) Limited, Swallow Street LP (acting by its general partner Swallow Street General Partner Limited) and O&H (OBS) Limited entered in to a new £94 million facility agreement with its bankers. All parties have entered into a cross guarantee arrangement. The loan is secured by fixed and floating charges over the properties, assets and shares of each party.

The total loan value will amortise from 30 January 2022 at a rate of £300,000 per quarter with the balance repayable in full on the 28 October 2026.

The amount held on the Statement of Financial Position of £27,129,885 (2017 - £27,095,398) represents the bank loan of £27,432,474 (2017 - £27,432,474) net of unamortised loan set up costs of £302,589 (2017 - £337,076).

Subsequent to the year end and as a result of a group restructure, the loan agreement with the lender was novated to another party. As a result of this O&H (Four) Limited exited the agreement.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

14. Deferred taxation

	Deferred tax £
At 1 March 2017	4,440,330
Charged to profit or loss	289,518
At 28 February 2018	4,729,848

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Investment properties revaluation gains	4,714,087	4,425,087
Fixed asset timing differences	15,761	15,243
	<u>4,729,848</u>	<u>4,440,330</u>

15. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,500,001 Ordinary shares of £1 each	<u>1,500,001</u>	<u>1,500,001</u>

16. Reserves

Revaluation reserve

The revaluation reserve represents cumulative revaluation movements in the fair value of investment property, gross of any deferred tax impact.

On disposal of a property any cumulative revaluation movements relating to the disposed property which are realised will be transferred to the profit and loss reserve.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments discussed above in relation to the revaluation reserve.

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

O&H (Four) Limited

Notes to the Financial Statements For the Year Ended 28 February 2018

17. Operating leases - lessor

The company leases out the investment properties under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	2018 £	2017 £
Not later than 1 year	1,435,869	1,891,660
Later than 1 year and not later than 5 years	2,784,651	4,054,178
Later than 5 years	1,646,174	2,466,537
	<u>5,866,694</u>	<u>8,412,375</u>

18. Post balance sheet events

On 21 September 2018, as part of a group restructure the company sold its properties as described in note 9 and refinanced its loan arrangement as described in note 13.

19. Controlling party

At 28 February 2018 the company's ultimate parent company was Sherbrooke Holdings Limited, a company registered in the British Virgin Islands. O&H Limited is the parent of the smallest group of which the company is a member.

O&H Holdings Limited is the largest group in which the company is consolidated, copies of the consolidated financial statements of O&H Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

There is no ultimate controlling party of the company.